



*July 27, 2015*

# REPORT AND ACCOUNTS FIRST HALF OF 2015

*An integrated energy player focused on  
exploration and production*



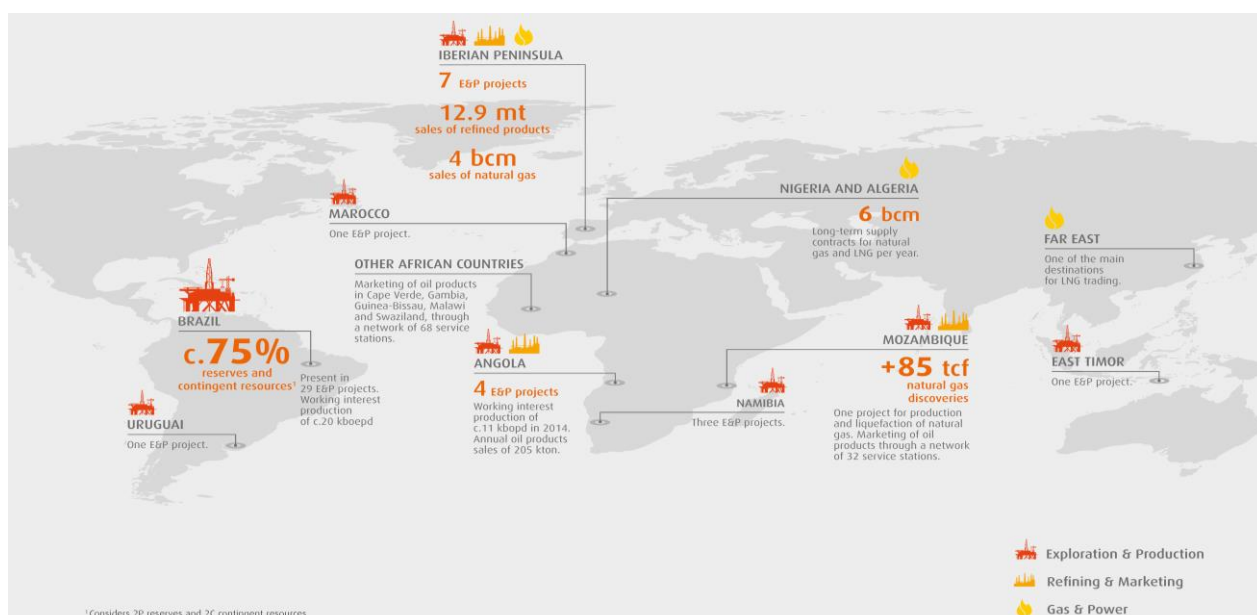
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## Galp Energia: energy on the move



### WHO WE ARE

- An integrated energy player focused on exploration and production, with a portfolio of assets with a unique growth profile within the industry.
- Exploration and production activities anchored in three core countries: Brazil, Angola and Mozambique.
- Significant presence in the downstream oil and gas businesses in the Iberian Peninsula and in Africa.
- Distribution and marketing of natural gas and electricity in Iberia, and a growing trading activity.

### Our vision and purpose

To be an integrated energy player recognised for its exploration and production activities, creating sustainable value for its stakeholders.

### Our strategy

To strengthen our exploration and production activities, complemented by efficient and competitive downstream and gas businesses and supported by a solid financial capacity and sustainable practices.

### Our strategic drivers

- Efficient business development.
- Financial discipline and value creation.
- Organisational effectiveness.
- Human capital development.
- Commitment to sustainability.

### Our competitive advantages

- Participation in some of the most promising projects worldwide.
- Successful and enduring partnerships with leading companies.
- Integrated skills and know-how of the business.
- Financial capacity and flexible organisation.

To learn more, visit [www.galpennergia.com](http://www.galpennergia.com)



## Executive summary

### MAIN OPERATING HIGHLIGHTS DURING THE SECOND QUARTER OF 2015

- Working interest production of oil and natural gas amounted to 42.7 kboepd, supported by the production increase in Brazil.
- Galp Energia's refining margin was \$6.6/boe, mainly reflecting the recovery of refining margins in the international market; the oil marketing activities maintained their positive contribution to results.
- Natural gas volumes reached 4,064 million cubic metres (mm<sup>3</sup>), supported by the trading activity in the international market and by the increased sales to the electrical segment.
- The Group's consolidated Ebitda rose to €844 million (m), up 57% year-on-year (YoY), on a replacement cost adjusted (RCA) basis.
- Capital expenditure amounted to €596 m, of which 94% was allocated to exploration and production activities.
- Net debt at the end of June 2015 amounted to €1,494 m considering the loan to Sinopec as cash and equivalents. The net debt to Ebitda ratio was 0.9x.

During the first half of 2015, Galp Energia continued to implement its strategy focused on the execution of its Exploration & Production (E&P) projects and on the optimisation of its Refining & Marketing (R&M) and Gas & Power (G&P) businesses.

During the first half of the year, development activities proceeded in the Lula/Iracema fields in Brazil. It is worth highlighting the production growth in the Iracema South area, where FPSO Cidade de Mangaratiba (FPSO #3) reached an average production of c.95 kbopd, with only three producer wells. In July, the fourth producer well was connected and FPSO #3 production reached c.130 kbopd. Also in early July, FPSO Cidade de Itaguaí (FPSO #4) arrived at the Iracema North area, where production is about to start. FPSOs Cidade de Angra dos Reis (#1) and Cidade de Paraty (#2) in the Lula area continued to produce at plateau levels.

Regarding Atapu, Berbigão and Sururu fields, the development plan was submitted to ANP in June.

Regarding exploration and appraisal activities, Galp Energia and its partners in block BM-S-8 completed the drilling works of the Carcará North well, and, in July, began the second drilling phase of the Carcará NW appraisal well.

Regarding R&M and G&P activities, Galp Energia continues to focus on the management of those businesses in order to maximize its return on capital employed. It is worth mentioning the contribution of the refining activity during the first half of 2015, supported by the favourable margins in the international market and the high availability of the refining system, which allowed the R&M business to achieve strong results. Concerning G&P business, as expected, results were affected by lower LNG trading activities in the international market.

## Key figures

### FINANCIAL DATA

€ m (RCA)

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
<b>Ebitda</b>	<b>537</b>	<b>844</b>	<b>307</b>	<b>57.3%</b>
Exploration & Production	211	215	4	1.7%
Refining & Marketing	76	390	313	n.m.
Gas & Power	238	223	(15)	(6.3%)
<b>Ebit</b>	<b>274</b>	<b>553</b>	<b>279</b>	<b>n.m.</b>
<b>Net income</b>	<b>115</b>	<b>310</b>	<b>195</b>	<b>n.m.</b>
<b>Capex</b>	<b>463</b>	<b>596</b>	<b>133</b>	<b>28.8%</b>
<b>Change in net debt<sup>1</sup></b>	<b>324</b>	<b>(136)</b>	<b>(460)</b>	<b>n.m.</b>
<b>Net debt<sup>1</sup></b>	<b>1,625</b>	<b>1,494</b>	<b>(131)</b>	<b>(8.1%)</b>
<b>Net debt to Ebitda<sup>1</sup></b>	<b>1.2x</b>	<b>0.9x</b>	<b>(0.3x)</b>	<b>n.m.</b>

<sup>1</sup> Considering loan to Sinopec as cash and equivalents. The information in 2014 is on December 31

### OPERATIONAL DATA

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
Average working interest production (kboepd)	26.9	42.7	15.8	58.7%
Average net entitlement production (kboepd)	23.3	39.8	16.6	71.2%
Oil and gas average sale price (USD/boe)	102.0	51.8	(50.2)	(49.2%)
Raw materials processed (kboe)	39,903	55,995	16,092	40.3%
Galp Energia refining margin (USD/boe)	0.3	6.6	6.3	n.m.
Oil sales to direct clients (mton)	4.5	4.6	0.1	1.9%
NG supply sales to direct clients (mm <sup>3</sup> )	1,825	1,918	93	5.1%
NG/LNG trading sales (mm <sup>3</sup> )	2,080	2,146	66	3.2%

### MARKET INDICATORS

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
Dated Brent price <sup>1</sup> (USD/bbl)	108.9	57.8	(51.1)	(46.9%)
Heavy-light crude price spread <sup>2</sup> (USD/bbl)	(2.2)	(1.0)	1.2	53.2%
UK NBP natural gas price <sup>3</sup> (GBP/therm)	52.9	46.5	(6.3)	(12.0%)
LNG Japan and Korea price <sup>1</sup> (USD/mmbtu)	15.9	7.5	(8.4)	(52.6%)
Benchmark refining margin <sup>4</sup> (USD/bbl)	(0.4)	5.3	5.7	n.m.
Iberian oil market <sup>5</sup> (mton)	28.9	29.4	0.5	1.8%
Iberian natural gas market <sup>6</sup> (mm <sup>3</sup> )	15,007	15,959	952	6.3%

<sup>1</sup>Source: Platts.

<sup>2</sup>Source: Platts. Dated Urals NWE for heavy crude; Dated Brent for light crude.

<sup>3</sup>Source: Bloomberg.

<sup>4</sup>For a complete description of the method of calculating the benchmark refining margin see "Definitions".

<sup>5</sup>Source: Apetro for Portugal; Cores for Spain; the figures include an estimate for June 2015.

<sup>6</sup>Source: Galp Energia and Enagás.

## *Exploration & Production activities*

### DEVELOPMENT ACTIVITIES

#### Brazil

During the first half of 2015, Galp Energia and its partners continued with the development works in the Lula/Iracema area.

In the Iracema South area, it is worth highlighting the connection of the third producer well to FPSO #3, which produced through three producer wells since the end of March, reaching an average production of c.95 kbopd during the second quarter. In early July, the fourth producer well was connected to FPSO #3, increasing production to c.130 kbopd. The consortium estimates that the fifth producer well will be connected until the end of the year and expects the unit to reach plateau with that well.

During the first half of 2015, FPSO #2 continued operating steadily at plateau. The EWT of Lula North, which was connected to FPSO #2 during the first quarter of 2015, continued to be executed during the quarter.

In the Lula Pilot area, FPSO #1 continued producing at plateau, which was reached back in June 2012.

The consortium proceeded with the Cabiúnas pipeline installation works during the first half of 2015, and commissioning is expected during the first quarter of 2016.

Construction works for the remaining FPSO units planned to be allocated to the Lula/Iracema field proceeded in the first half of the year.

FPSO #4 arrived at the Iracema North area in July. This chartered unit has an installed production capacity of 150 kbopd and 8 mm<sup>3</sup> of natural gas. The first producer well is already connected to the unit, and production is about to start.

FPSO Cidade de Maricá (#5), converted in the China Ocean Shipping Company (COSCO) shipyard, in China, and to be assigned to the Lula Alto area, is in the Mauá shipyard, in Brazil, since July, where the remaining integration works will be carried out by BRASA/SBM. FPSO Cidade de Saquarema (#6), to be allocated to the Lula Central area, continued to be converted in the Chengxi shipyard, in China, and its sail away to the Mauá shipyard, for final integration works to be carried out by BRASA/SBM, is expected in the coming weeks. Both FPSOs are expected to start production during the first half of 2016.

Regarding works on the replicant FPSO units, integration works proceeded on the P-66 in the Brasfels shipyard. During the first half of 2015, P-67 hull construction works proceeded, after it left the dry dock in the Ecovix shipyard, in Rio Grande do Sul.

During the first half of the year, construction works of the P-68 also proceeded in the COSCO shipyard, in China, as well as works on P-69, in the dry dock of Ecovix in Rio Grande do Sul.

In what concerns the CO<sub>2</sub> and gas compression and injection modules to be installed in the replicant FPSO units, and following the termination of the contract with IESA Óleo e Gás S.A. (IESA) in late 2014, the consortium decided to award the construction works to two Asian companies.

Regarding Atapu, Berbigão and Sururu fields, the development plans were submitted to ANP in June, following the Declaration of Commerciality last December. It is expected the allocation of three

replicant FPSO units, with first oil for the Atapu area expected in 2018.

In July, the consortium concluded the drilling of the well in the Berbigão area (Iara West), whose purpose was to increase reservoir knowledge. The consortium expects to perform a drill stem test (DST) during the second half of 2015. It should be noted that, during July, the consortium also started a DST in the Atapu area.

#### Mozambique

In Mozambique, works on the initial phase of the development continued to advance. The consortium for the development of Area 4 has received during the first half the Front-End Engineering Design (FEED) and Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) proposals for the offshore Coral FLNG project, which are currently being analysed. At the same time, the consortium has been advancing on the negotiations for the LNG

long term offtake agreements. The competitive process for the FEED and EPCIC regarding two LNG trains for the onshore Mamba project continues to be carried on, with proposals now expected in the second half of the year.

#### Angola

Regarding the Lianzi field in block 14k, drilling and completion activities were carried out in three wells, of which two were producer wells and one injector well. The consortium expects to start production during the second half of 2015 through a tie-back to the CPT platform in the BBLT field, and the BBLT field's production will be negatively affected during the installation.

Regarding block 32, engineering and procurement works proceeded in the first half, as well as conversion works of the two FPSOs associated to the Kaombo project, in Singapore.

#### DEVELOPMENT WELLS IN THE LULA/IRACEMA AREA

	Project	Type of wells				
			Planned	Drilled	In progress	Connected
#1	Lula Pilot	Producers	7	5	0	5
	FPSO Cidade de Angra dos Reis	Injectors	5	5	1	4
#2	Lula NE	Producers	8	6	0	6 <sup>1</sup>
	FPSO Cidade de Paraty	Injectors	6	6	0	3
#3	Iracema South	Producers	8	7	0	4
	FPSO Cidade de Mangaratiba	Injectors	8	6	1	3
#4	Iracema North	Producers	8	6	1	1
	FPSO Cidade de Itaguaí	Injectors	9	6	0	0

<sup>1</sup>Includes EWT in Lula North.

## EXPLORATION AND APPRAISAL ACTIVITIES

### Brazil

During the first half of 2015, the consortium completed the drilling works of the Carcará North appraisal well, in block BM-S-8, which began in January 2015 and were performed in a single phase using a rig equipped with managed pressure drilling (MPD). This well confirmed the existence of a light oil column and the extension of the Carcará discovery towards the North. A DST will be conducted in this well, with the purpose of testing the pressure, permeability and productivity of this area of the reservoir. In July, the consortium for block BM-S-8 began the second drilling phase of the Carcará NW appraisal well, aiming at evaluating the discovery's resource potential.

In block BM-S-24, the consortium is currently preparing the process for the extension of the

deadline for the Declaration of Commerciality with the Brazilian authorities. Therefore, the activities that were initially planned for 2015 will be rescheduled, in particular the drilling of Elida and Citera appraisal wells.

Drilling works relating to the exploration campaign in the onshore Amazonas basin were concluded, with the Sil-1 well. Results obtained don't support further activities in block AM-T-85, which will be abandoned. Block AM-T-62 was formally relinquished during the second quarter of 2015. Regarding block AM-T-84, a 12-month extension to the exploration period will be requested following results obtained in the JAN-1 well, which proved the presence of gas and light oil shows, in order for the consortium to advance with drilling of the second committed well in the block.

## SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

Area	Target	Interest	E/A <sup>2</sup>	Spud date	Duration (# days)	Well status
<b>Brazil<sup>1</sup></b>						
BM-S-11	Iara RDA 4	10%	A	<b>1Q15</b>	-	Concluded
BM-S-8	Carcará North	14%	A	<b>1Q15</b>	-	Concluded
BM-S-8	Carcará NW <sup>3</sup>	14%	A	<b>3Q15</b>	120	Ongoing
Potiguar	Pitú 2	20%	A	<b>3Q15</b>	120	-
Amazonas	Jan-1	40%	E	<b>1Q15</b>	-	Concluded
Amazonas	Sil-1	40%	E	<b>2Q15</b>	-	Concluded
<b>Portugal</b>						
Alentejo	Santola-1	30%	E	<b>4Q15/1Q16</b>	120	-

<sup>1</sup>Petrogal Brasil: 70% Galp Energia; 30% Sinopec.

<sup>2</sup>E – Exploration well; A – Appraisal well.

<sup>3</sup>Second drilling phase.



## Operating and financial performance

### 1. MARKET ENVIRONMENT

#### EUR:USD

During the first half of 2015, the average EUR:USD exchange rate was 1.117, corresponding to a devaluation of 19% YoY.

#### Dated Brent

During the first half of 2015, average dated Brent was \$57.8/bbl, corresponding to a decrease of \$51.1/bbl YoY, as a result of oversupply due to the production increase from OPEC countries and to the production of unconventional oil in the USA, without absorption by the growth in global demand of 1.4 mmbbl/d.

The price spread tightened \$1.2/bbl compared to the previous year, to -\$1.0/bbl.

#### Natural Gas

In the first half of 2015, the price spread tightened \$6.7/mmbtu YoY to \$0.5/mmbtu, due to the LNG price in Asia decrease caused by the drop

in crude price and lower demand, particularly in China.

#### Refining Margins

During the first half of 2015, the benchmark refining margin increased from -\$0.4/bbl YoY to \$5.3/bbl. The cracks for gasoline and diesel widened \$5.8/bbl and \$1.7/bbl respectively, to \$14.3/bbl and \$17.7/bbl in the period.

#### Iberian Market

The Iberian market for oil products rose 2% YoY to 29.4 mton. Middle distillates showed the largest increase, with diesel and jet fuel benefiting from the economic recovery.

During the first half of 2015, the natural gas market reached 15,959 mm<sup>3</sup>, up 6% YoY. The electrical segment rose 37%, whilst the conventional segment showed an increase of 2%.

## 2. OPERATING PERFORMANCE



### EXPLORATION & PRODUCTION

€ m (RCA, except otherwise stated)

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
<b>Average working interest production<sup>1</sup> (kboepd)</b>	<b>26.9</b>	<b>42.7</b>	<b>15.8</b>	<b>58.7%</b>
Oil production (kbopd)	25.7	39.4	13.7	53.3%
<b>Average net entitlement production (kboepd)</b>	<b>23.3</b>	<b>39.8</b>	<b>16.6</b>	<b>71.2%</b>
Angola	7.0	7.6	0.6	8.9%
Brazil	16.3	32.2	15.9	97.8%
<b>Average realised sale price (USD/boe)</b>	<b>102.0</b>	<b>51.8</b>	<b>(50.2)</b>	<b>(49.2%)</b>
<b>Royalties<sup>2</sup> (USD/boe)</b>	<b>10.0</b>	<b>4.8</b>	<b>(5.2)</b>	<b>(52.1%)</b>
<b>Production costs (USD/boe)</b>	<b>15.8</b>	<b>9.6</b>	<b>(6.2)</b>	<b>(39.4%)</b>
<b>Amortisation<sup>3</sup> (USD/boe)</b>	<b>22.9</b>	<b>17.6</b>	<b>(5.3)</b>	<b>(23.3%)</b>
<b>Ebitda</b>	<b>211</b>	<b>215</b>	<b>4</b>	<b>1.7%</b>
Depreciation & Amortisation	71	114	43	61.4%
Provisions	(0)	-	0	n.m.
<b>Ebit</b>	<b>140</b>	<b>101</b>	<b>(40)</b>	<b>(28.3%)</b>

Note: unit values based on net entitlement production.

<sup>1</sup>Includes natural gas exported; excludes natural gas used or injected.

<sup>2</sup>Based on production in Brazil.

<sup>3</sup>Includes abandonment provisions.

### Operations

During the first half of 2015, working interest production increased 59% to 42.7 kboepd, due to higher production from Brazil, which increased 98% YoY to 32.2 kboepd. This was supported by the higher output of FPSO #2 and the entering into production of FPSO #3.

Production in Angola remained stable at 10.4 kbopd.

Net entitlement production rose 71% YoY to 39.8 kboepd, mostly as a result of production increase in Brazil.

### Results

Ebitda increased €4 m YoY to €215 m, as the decrease in the average sale price of oil and natural gas was offset by the increase in net entitlement production.

The average sale price was \$51.8/boe, whilst in the first half of 2014 it was \$102.0/boe.

Production costs increased €13 m YoY to €62 m, as a result of the start of operations of FPSO #3 in October 2014, in Brazil. On the other hand, production costs in Angola decreased €6 m compared to the first half of 2014. In unit terms, production costs decreased \$6.2/boe YoY to \$9.6/boe.

Depreciation charges increased around €43 m YoY to €114 m, as a result of the increased asset base and higher production. On a net entitlement basis, depreciation charges decreased \$5.3/boe YoY, to \$17.6/boe.

During the first half of 2015, Ebit decreased €40 m YoY to €101 m.



## REFINING & MARKETING

€ m (RCA, except otherwise stated)

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
<b>Galp Energia refining margin (USD/boe)</b>	<b>0.3</b>	<b>6.6</b>	<b>6.3</b>	<b>n.m.</b>
<b>Refining cash cost<sup>1</sup> (USD/boe)</b>	<b>2.9</b>	<b>2.5</b>	<b>(0.4)</b>	<b>(14.2%)</b>
<b>Raw materials processed (kboe)</b>	<b>39,903</b>	<b>55,995</b>	<b>16,092</b>	<b>40.3%</b>
Crude processed (kbbl)	33,883	49,478	15,595	46.0%
<b>Total refined product sales (mton)</b>	<b>7.8</b>	<b>9.1</b>	<b>1.3</b>	<b>17.1%</b>
Sales to direct clients (mton)	4.5	4.6	0.1	1.9%
<b>Ebitda</b>	<b>76</b>	<b>390</b>	<b>313</b>	<b>n.m.</b>
Depreciation & Amortisation	142	137	(5)	(3.7%)
Provisions	12	4	(8)	(70.5%)
<b>Ebit</b>	<b>(78)</b>	<b>249</b>	<b>327</b>	<b>n.m.</b>

<sup>1</sup>Includes impact of hedging of the refining margin.

### Operations

Raw materials processed increased 40% YoY to 56.0 million barrels during the first half of 2015, as the volumes processed the year before had been affected by the planned general outage of the Sines refinery for maintenance.

During the first half of 2015, crude oil processed accounted for 85% of raw materials processed, of which 83% corresponded to medium and heavy crudes.

The production of middle distillates accounted for 46% of total production, whereas gasoline and fuel oil accounted for 22% and 17% of total production, respectively. Consumption and losses in the first half of 2015 accounted for 8%, in line with the previous year.

Volumes sold to direct clients increased 2% YoY, mainly due to the increase of sales in the wholesale segment. Volumes of oil products sold in Africa accounted for 8% of total volumes sold in the period.

During the first half of 2015, Galp Energia continued to implement measures aiming to improve energy efficiency of the refining system. It should be highlighted the progresses made at Sines

refinery, which recorded 31.9 kgCO<sub>2</sub>/CWT, down from 32.9 kgCO<sub>2</sub>/CWT in 2014, and against the sector benchmark of 37.7 CO<sub>2</sub>/CWT.

### Results

During the first half of 2015, Ebitda increased €313 m YoY to €390 m, due to improved results from refining activities.

Galp Energia's average refining margin was \$6.6/boe, compared to \$0.3/boe in the previous year, following the improved refining margins environment.

Refining cash costs amounted to €81 m in the first half of 2015, or \$2.5/bbl in unit terms, compared to \$2.9/bbl in the previous year. Cash costs in 2015 were influenced by hedging of the refining margin, which had an impact of \$0.9/boe in the period.

Marketing of oil products maintained its positive contribution to results, benefitting from the recovery of volumes sold in the Iberian market.

Ebit in the first half of 2015 stood at €249 m, up €327 m YoY.



## GAS & POWER

€ m (RCA, except otherwise stated)

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
<b>NG supply total sales volumes (mm<sup>3</sup>)</b>	<b>3,904</b>	<b>4,064</b>	<b>159</b>	<b>4.1%</b>
<b>Sales to direct clients (mm<sup>3</sup>)</b>	<b>1,825</b>	<b>1,918</b>	<b>93</b>	<b>5.1%</b>
<b>Trading (mm<sup>3</sup>)</b>	<b>2,080</b>	<b>2,146</b>	<b>66</b>	<b>3.2%</b>
<b>Sales of electricity (GWh)</b>	<b>1,823</b>	<b>2,247</b>	<b>423</b>	<b>23.2%</b>
<b>Ebitda</b>	<b>238</b>	<b>223</b>	<b>(15)</b>	<b>(6.3%)</b>
Natural Gas	142	152	10	7.3%
Infrastructure	80	69	(10)	(12.8%)
Power	16	1	(15)	(94.7%)
Depreciation & Amortisation	32	29	(3)	(8.8%)
Provisions	5	5	1	14.1%
<b>Ebit</b>	<b>201</b>	<b>188</b>	<b>(13)</b>	<b>(6.4%)</b>

### Operations

During the first half of 2015, volumes sold in the natural gas segment increased 4% YoY to 4,064 mm<sup>3</sup> as a result of the increase in volumes sold to direct clients and in the trading segment.

Sales to direct clients benefitted from higher volumes sold in the electrical segment, which rose 61% to 448 mm<sup>3</sup> due to higher consumption of natural gas for power generation in Portugal.

Volumes sold to residential and industrial clients in Iberia dropped 16% and 3%, to 238 mm<sup>3</sup> and 1.232 mm<sup>3</sup>, respectively.

Volumes sold in the international market increased 3% to 2,146 mm<sup>3</sup>. A total of 18 LNG trading operations were executed during the period, compared to 22 operations during the first half of 2014. This decrease was offset by the increased network trading activity in Spain and in France, which increased from 161 mm<sup>3</sup> to 658 mm<sup>3</sup>.

Sales of electricity were 2,247 GWh in the period, an increase of 423 GWh YoY, mostly due to increased electricity marketing activities, which more than offset the lower sales of electricity to the grid, that stood at 697 GWh.

### Results

Ebitda in the first half of 2015 was down €15 m YoY to €223 m, due to the lower contribution of the power business, which was impacted by the lag in the natural gas sales price indexes, particularly during the first quarter of 2015.

Ebitda for the natural gas segment increased 7% to €152 m, as a result of higher volumes of natural gas sold to direct clients and in the international market.

Ebitda for the regulated infrastructure business contributed with €69 m to Ebitda, having been impacted by the downward revision to 7.94% of the estimated rate of return for the regulatory gas year 2014-2015, compared to 8.4% in the year before.

Depreciation and amortisation reached €29 m, compared to €32 m in 2014.

Provisions in the first half of 2015 accounted for €5 m, in line with the previous year.

As a result, Ebit for the G&P business segment stood at €188 m in the first half of 2015, i.e., down 6% YoY.

### 3. FINANCIAL PERFORMANCE

#### 3.1. PROFIT & LOSS

€ m (RCA, except otherwise stated)

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
Turnover	8,740	8,176	(564)	(6.5%)
Cost of goods sold	(7,506)	(6,550)	(956)	(12.7%)
Supply & Services	(562)	(643)	81	14.3%
Personnel costs	(151)	(156)	5	3.4%
Other operating revenues (expenses)	15	17	2	10.2%
<b>Ebitda</b>	<b>537</b>	<b>844</b>	<b>307</b>	<b>57.3%</b>
Depreciation & Amortisation	(246)	(282)	36	14.6%
Provisions	(17)	(9)	(8)	(46.5%)
<b>Ebit</b>	<b>274</b>	<b>553</b>	<b>279</b>	<b>n.m.</b>
Net income from associated companies	33	43	10	29.8%
Net income from investments	1	1	(0)	(16.1%)
Financial results	(58)	(83)	(24)	(41.9%)
<b>Net income before taxes and non-controlling interests</b>	<b>250</b>	<b>514</b>	<b>264</b>	<b>n.m.</b>
Taxes <sup>1</sup>	(105)	(179)	74	70.2%
Non-controlling interests	(30)	(26)	(4)	(14.0%)
<b>Net income</b>	<b>115</b>	<b>310</b>	<b>195</b>	<b>n.m.</b>
Non recurring items	(20)	(151)	(131)	n.m.
Net income RC	95	159	64	67.7%
Inventory effect	(20)	(69)	(49)	n.m.
Net income IFRS	75	90	15	20.4%

<sup>1</sup>Includes Special Participation Tax payable in Brazil and IRP payable in Angola of €35 m in the second quarter of 2015 and €59 m in the first half 2015.

During the first half of 2015, turnover stood at €8,176 m, a 6% decrease YoY, which was mainly due to lower commodity prices.

Operating costs amounted to €7,349 m, an 11% decrease YoY, resulting mostly from a 13% fall in the cost of goods sold.

During this first half, Ebitda reached €844 m, a €307 m increase YoY, which was mainly supported by better results in the R&M business. Ebit increased by €279 m, to €553 m.

Results from associated companies stood at €43 m, a €10 m increase YoY, driven by higher results from EMPL – Europe Maghreb Pipeline and Tupi B.V. company, during the first quarter of 2015.

Financial results were negative by €83 m, and were impacted by the mark-to-market of financial instruments related to refining margin hedging, as

well as by unfavourable exchange rate differences, following the appreciation of the Dollar which impacted trade payables.

Net interest expenses remained stable YoY at around €65 m during the first half of 2015.

Taxes reached €179 m, a €74 m increase YoY, driven by improved results.

Non-controlling interests amounted to €26 m and are primarily attributable to Sinopec.

RCA net income stood at €310 m, a €195 m increase YoY, whereas IFRS net income was up by €15 m to €90 m, including a €69 m negative inventory effect as well as non-recurring items, amounting to €151 m mainly regarding oil and natural gas marketing activities in Spain and exploration activity in the Amazonas basin, in Brazil.



Non-recurrent items also include the special contribution on the energy sector (CESE) in Portugal, namely €15 m from the CESE on assets from the Oil & Gas sector, particularly refining assets, as well as €13 m from the CESE on the value attributed to long-term natural gas supply contracts.

In this context, it is also worth noting the accounting of a provision of €156.2 m, for the total amount of the CESE regarding the value of the long-term supply contracts. This provision related with CESE results from the strict applicability of accounting standards. However, Galp Energia's opinion, based on the opinion of the most renowned national legal experts, is that these laws regarding CESE have no legal grounds and accordingly these amounts are not due.

### 3.2. CAPITAL EXPENDITURE

€ m

	First Half			
	2014	2015	Chg. YoY	% Chg. YoY
Exploration & Production	398	558	161	40.3%
Exploration and appraisal activities	96	69	(28)	(28.5%)
Development and production activities	301	489	188	62.4%
Refining & Marketing	46	26	(20)	(43.6%)
Gas & Power	16	9	(8)	(47.7%)
Others	3	3	1	22.7%
<b>Investment</b>	<b>463</b>	<b>596</b>	<b>133</b>	<b>28.8%</b>

During the first half of 2015, capital expenditure amounted to €596 m, 94% of which was invested in the E&P business.

Exploration and appraisal activities accounted for 12% of the €558 m invested in the E&P business.

Capital expenditure in downstream & gas activities stood at €34 m, down €28 m YoY, impacted by the general outage for maintenance at the Sines refinery in 2014.

### 3.3. CASH FLOW

€ m (IFRS figures)

	First Half	
	2014	2015
Ebit	231	363
Dividends from associates	28	37
Depreciation, Depletion and Amortization (DD&A)	263	368
Change in Working Capital	(165)	117
<b>Cash flow from operations</b>	<b>356</b>	<b>885</b>
Net capex	(462)	(547)
Net financial expenses	(68)	(67)
SPT and Corporate taxes	(54)	(67)
Dividends paid	(124)	(145)
Others <sup>1</sup>	93	132
<b>Change in net debt</b>	<b>(259)</b>	<b>191</b>

<sup>1</sup>Including CTA's (Cumulative Translation Adjustment) and partial reimbursement of loan granted to Sinopec.

During the first half of 2015, net debt decreased by €191 m, having been positively impacted by cash flow generation of €885 m and by the reimbursement of around €130 m related to the loan to Sinopec. In this period, cash flow also

benefitted from working capital improvement, primarily stemming from the effects of stock optimisation.

### 3.5. FINANCIAL POSITION

€ m (IFRS figures)

	31 December, 2014	30 June, 2015	Change vs. 31 Dec. 2014
Non-current assets	7,599	7,778	180
Working capital	968	852	(117)
Loan to Sinopec	890	835	(54)
Other assets (liabilities)	(512)	(591)	(79)
<b>Capital employed</b>	<b>8,945</b>	<b>8,874</b>	<b>(70)</b>
Short term debt	303	645	342
Medium-Long term debt	3,361	2,956	(405)
<b>Total debt</b>	<b>3,664</b>	<b>3,601</b>	<b>(63)</b>
Cash and equivalents	1,144	1,271	127
<b>Net debt</b>	<b>2,520</b>	<b>2,330</b>	<b>(191)</b>
<b>Total equity</b>	<b>6,425</b>	<b>6,545</b>	<b>120</b>
<b>Total equity and net debt</b>	<b>8,945</b>	<b>8,874</b>	<b>(70)</b>
<b>Net debt including loan to Sinopec<sup>1</sup></b>	<b>1,630</b>	<b>1,494</b>	<b>(136)</b>

<sup>1</sup>Loan to Sinopec considered as cash and equivalents.

On 30 June 2015, non-current assets stood at €7,778 m, up €180 m when compared to 31 December 2014. This increase was due to investment during the first half of 2015, despite depreciation and impairments registered during the second quarter, namely those related to

marketing of oil and natural gas activities in Spain and the exploration activity in Brazil.

Capital employed at the end of this period amounted to €8,874 m and included the loan granted to Sinopec, with an outstanding balance of €835 m as of 30 June 2015.

### 3.6. FINANCIAL DEBT

€ m (except otherwise stated)

	31 December, 2014	30 June, 2015	Change vs. 31 Dec. 2014
Bonds	2,248	2,251	3
Bank loans and other debt	1,417	1,350	(67)
Cash and equivalents	1,144	1,271	127
<b>Net debt</b>	<b>2,520</b>	<b>2,330</b>	<b>(191)</b>
<b>Net debt including loan to Sinopec<sup>1</sup></b>	<b>1,630</b>	<b>1,494</b>	<b>(136)</b>
Average life (years)	3.7	3.3	(0.39)
Average cost of funding <sup>2</sup>	4.21%	3.96%	(0.2 p.p.)
Net debt to Ebitda <sup>1</sup>	1.2x	0.9x	(0.3x)

<sup>1</sup>Loan to Sinopec considered as cash and equivalents.

<sup>2</sup>Including bank guarantees and credit lines.

As of 30 June 2015, net debt decreased to €2,330 m, down by €191 m when compared to the end of 2014.

Considering the €835 m balance of the Sinopec loan as cash and equivalents, net debt totalled €1,494 m at the end of the second quarter, for a net debt to Ebitda ratio of 0.9x.

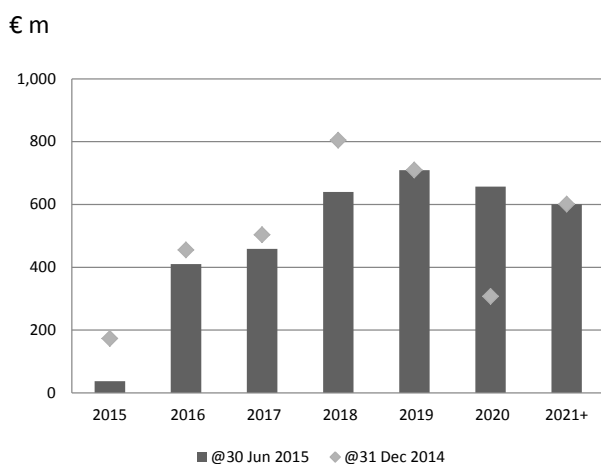
At the end of June 2015, the average cost of funding including bank guarantees and credit lines was 3.96%, with 44% of total debt on a fixed-rate basis.

At the end of the period, debt had an average maturity of 3.3 years, and medium and long-term debt accounted for 82% of the total.

On 30 June 2015, around 75% of the debt was scheduled to mature from 2018 onwards, in accordance with the goal of aligning debt repayment with the Company's expected free cash flow profile.

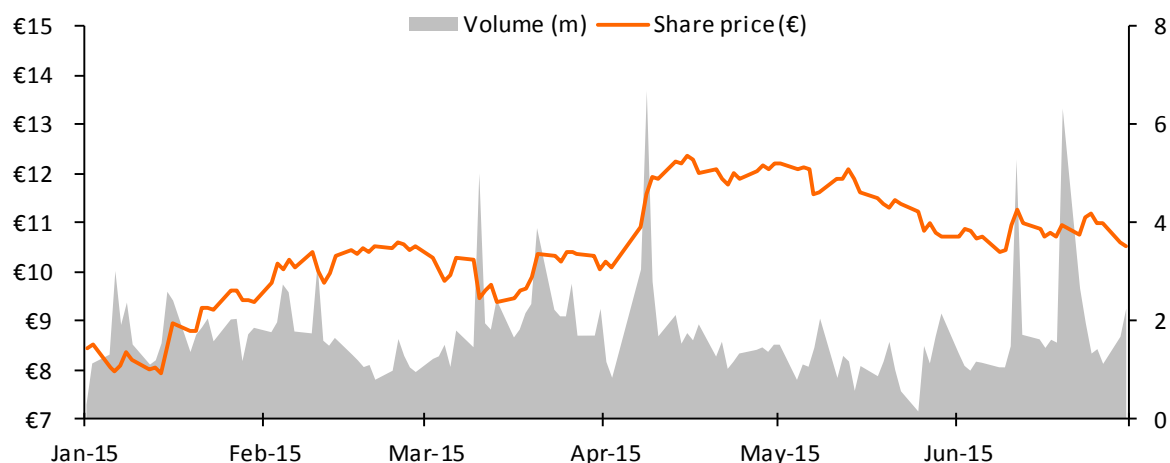
At the end of the first half of 2015, Galp Energia had unused credit lines of €1.1 bn, 60% of which were contractually guaranteed.

### DEBT MATURITY PROFILE



## Galp Energia share

### PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

During the first half of 2015, Galp Energia share gained 25%, with 343 m shares traded on regulated markets, of which 217 m on Euronext Lisbon.

The average daily volume traded on regulated markets amounted to 2.7 m shares, of which 1.7 m on Euronext Lisbon.

Main indicators		
	2014	1H15
Min (€)	7.82	7.81
Max (€)	13.75	12.48
Average (€)	12.10	10.50
Close price (€)	8.43	10.52
Regulated markets volume (m shares)	547.9	342.5
Average volume per day (m shares)	2.1	2.7
of which Euronext Lisbon (m shares)	1.3	1.7
Market cap (€m)	6,991	8,724



## *Additional Information*

### **1. BASIS OF PRESENTATION**

Galp Energia's consolidated financial statements for the six months ended on 30 June 2015 and 2014, which were subject to limited review, have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial information in the consolidated income statement is reported for the quarters ended on 30 June 2015 and 2014, and on 31 March 2015. The financial information in the consolidated financial position is reported on 30 June and 31 March 2015 and on 31 December 2014.

Galp Energia's financial statements are prepared in accordance with IFRS, and the cost of goods sold is valued at weighted-average cost. When goods and commodity prices fluctuate, the use of this valuation method may cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This is called the inventory effect.

Another factor that may affect the Company's results, without being an indicator of its true performance, is the set of non-recurring items, namely gains or losses on the disposal of assets, impairments or reinstatements of fixed assets, and environmental or restructuring charges.

For the purpose of evaluating Galp Energia's operating performance, RCA profit measures exclude non-recurring items and the inventory effect, the latter because the cost of goods sold and materials consumed has been calculated according to the Replacement Cost (RC) valuation method.

### **RECENT CHANGES**

As of 1 January 2015, Galp Energia's basis for calculating both the unit refining margin and associated cash costs considers all processed raw materials (converted into barrels of oil equivalent), whereas before the calculation only considered processed crude. For comparison purposes, this change has been reflected in the same period of last year.

## 2. REPLACEMENT COST ADJUSTED TURNOVER

€ m

	First Half			
	2014	2015	Chg.	% Chg.
<b>Turnover RCA</b>	<b>8,740</b>	<b>8,176</b>	<b>(564)</b>	<b>(6.5%)</b>
Exploration & Production <sup>1</sup>	359	326	(33)	(9.2%)
Refining & Marketing	6,776	6,190	(586)	(8.6%)
Gas & Power	1,878	1,810	(68)	(3.6%)
Other	57	61	4	6.7%
Consolidation adjustments	(330)	(210)	119	36.1%

<sup>1</sup> Does not include change in production. RCA turnover in the E&P segment, including change in production, amounted to €334 m in the first half of 2015.

## 3. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

### 3.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

€ m

2015	First Half				
	Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
<b>Galp Energia</b>	<b>746</b>	<b>91</b>	<b>838</b>	<b>6</b>	<b>844</b>
E&P	211	-	211	4	215
R&M	309	74	383	6	390
G&P	209	17	226	(3)	223
Others	17	-	17	(0)	17

€ m

2014	First Half				
	Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
<b>Galp Energia</b>	<b>506</b>	<b>27</b>	<b>533</b>	<b>4</b>	<b>537</b>
E&P	211	-	211	0	211
R&M	40	33	73	3	76
G&P	243	(6)	237	0	238
Others	12	-	12	0	12

### 3.2. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

€ m

2015	First Half				
	Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
<b>Galp Energia</b>	<b>363</b>	<b>91</b>	<b>454</b>	<b>99</b>	<b>553</b>
E&P	16	-	16	84	101
R&M	160	74	234	15	249
G&P	171	17	189	(1)	188
Others	15	-	15	(0)	15

€ m

2014	First Half				
	Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
<b>Galp Energia</b>	<b>231</b>	<b>27</b>	<b>258</b>	<b>16</b>	<b>274</b>
E&P	123	-	123	17	140
R&M	(114)	33	(81)	3	(78)
G&P	208	(6)	203	(2)	201
Others	13	-	13	(3)	10

#### 4. NON-RECURRING ITEMS

##### CONSOLIDATED SUMMARY

	First Half	
	2014	2015
Sale of strategic stock	(117.4)	-
Cost of sale of strategic stock	113.5	-
Accidents caused by natural facts and insurance compensation	0.1	(0.9)
Gains / losses on disposal of assets	(0.5)	(2.8)
Assets write-offs	0.3	0.3
Fine for breach of contract	-	3.7
Investment subsidies - disposal underground gas caverns	-	(2.6)
Employee restructuring charges	7.9	8.5
Provisions for environmental charges and others	(4.9)	6.4
Assets impairments	16.8	86.0
<b>Non-recurring items in Ebit</b>	<b>15.8</b>	<b>98.6</b>
Capital gains/losses on disposal of financial investments	(0.0)	15.4
Provision for impairment of financial investments	2.8	-
Provision for financial investments	-	48.9
<b>Non-recurring items before income taxes</b>	<b>18.5</b>	<b>163.0</b>
Income taxes on non-recurring items	(5.6)	(31.7)
Energy sector contribution tax	10.4	33.1
Non-controlling interests on non-recurring items	(3.2)	(13.7)
<b>Total non-recurring items</b>	<b>20.1</b>	<b>150.7</b>

## Appendices

### 1. GOVERNING BODIES

The current composition of the governing bodies of Galp Energia SGPS, S. A. on 30 June 2015 is as follows:

#### BOARD OF DIRECTORS

##### Chairman

Américo Amorim

##### Vice-Chairman

Paula Ramos Amorim

##### Vice-Chairman

Carlos Nuno Gomes da Silva

##### Members

Filipe Crisóstomo Silva

Thore E. Kristiansen

Sérgio Gabrielli de Azevedo

Abdul Magid Osman

Raquel Rute da Costa David Vunge

Carlos Manuel Costa Pina

Francisco Vahia de Castro Teixeira Rêgo

Miguel Athayde Marques

Jorge Manuel Seabra de Freitas

José Carlos da Silva Costa

Pedro Carmona de Oliveira Ricardo

João Tiago Cunha Belém da Câmara Pestana

Rui Paulo da Costa Cunha e Silva Gonçalves

Luís Manuel Pego Todo Bom

Diogo Mendonça Rodrigues Tavares

Joaquim José Borges Gouveia

#### EXECUTIVE COMMITTEE

##### Chairman

Carlos Nuno Gomes da Silva (CEO)

##### Members

Filipe Crisóstomo Silva (CFO)

Thore E. Kristiansen

José Carlos da Silva Costa

João Tiago Cunha Belém da Câmara Pestana

Pedro Carmona de Oliveira Ricardo

Carlos Costa Pina

#### SUPERVISORY BOARD

##### Chairman

Daniel Bessa Fernandes Coelho

##### Members

Gracinda Augusta Figueiras Raposo

Pedro Antunes de Almeida

##### Deputy

Amável Alberto Freixo Calhau

#### STATUTORY AUDITORS

##### Standing

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., represented by António Joaquim Brochado Correia, or by Ana Maria Ávila de Oliveira Lopes Bertão

##### Deputy

José Manuel Henriques Bernardo

#### GENERAL SHAREHOLDERS MEETING BOARD

##### Chairman

Daniel Proença de Carvalho

##### Vice-Chairman

Victor Manuel Pereira Dias

##### Secretary

Maria Helena Claro Goldschmidt

#### COMPANY SECRETARY

##### Standing

Rui de Oliveira Neves

##### Deputy

Maria Helena Claro Goldschmidt

#### REMUNERATIONS COMMITTEE

##### Members

Amorim Energia, B.V.

Jorge Armindo Carvalho Teixeira

Joaquim Alberto Hierro Lopes

## 2. MANDATORY NOTICES AND STATEMENTS

### SHAREHOLDERS WITH QUALIFYING HOLDINGS ON 30 JUNE 2015

(in accordance with article 20 of the Portuguese Securities Code (CVM) and article 9, paragraph 1 c) established by the Portuguese Securities Market Commission (CMVM) in article 5/2008)

Shareholders	No. of Shares	% share capital	% voting rights
Amorim Energia, B.V.			
Direct holding	317,934,693	38.34%	38.34%
Holding attributed under Article 20(1)(d) of the Portuguese Securities Code (CVM) by virtue of serving at the Board of Directors of Amorim Energia B.V.	2,410	0.0003%	0.0003%
Holding attributed under Article 20(1)(d) of the CVM by virtue of shareholder agreement with Eni, S.p.A.	66,337,592	8.00%	8.00%
<b>Total attributed holding</b>	<b>384,274,695</b>	<b>46.34%</b>	<b>46.34%</b>
Eni, S.p.A.	66,337,592	8.00%	8.00%
Parpública – Participações Públicas (SGPS), S.A.	58,079,514	7.00%	7.00%
The Capital Group Companies, Inc.			
Holding attributed under Article 20(1)(b) of the CVM by virtue of a control relationship with the Capital Research and Management Company	40,652,757	4.90%	4.90%
<b>Total attributed holding</b>	<b>40,652,757</b>	<b>4.90%</b>	<b>4.90%</b>
Capital Research and Management Company			
Holding attributed under Article 20(1)(b) of the CVM by virtue of a control relationship with the Capital Research and Management Company	20,222,757	2.44%	2.44%
Holding attributed under Article 20(1)(g) of the CVM by virtue of several funds having conceded the respective powers of attorney	20,430,000	2.46%	2.46%
<b>Total attributed holding</b>	<b>40,652,757</b>	<b>4.90%</b>	<b>4.90%</b>
EuroPacific Growth Fund (EUPAC)	20,430,000	2.46%	2.04%
BlackRock, Inc.	20,307,726	2.45%	2.45%
Standard Life Investments (Holdings) Limited	17,512,906	2.11%	2.11%
Templeton Global Advisors Limited	16,870,865	2.03%	2.03%

At the end of 2014, Eni held a shareholding of approximately 8% of Galp Energia's share capital, corresponding to the underlying asset of the exchangeable bonds issued in 2012.

In May 2015, Eni launched an offer to repurchase its Exchangeable bonds issued in 2012, equivalent to a 4% in Galp Energia's share capital. Eni also announced that the underlying bonds



repurchased within the transaction are canceled, in accordance with its terms and conditions.

Under the agreements signed between the Parties and under paragraph 1(c) of Article 20 of the of the Portuguese Securities Code (CVM), the voting rights corresponding to the shares held by each of the parties in the aforementioned shareholder agreement were allocated to the others. This ceased to apply to CGD when it sold its stake of 1% in Galp Energia's share capital. With regard to Amorim Energia and Eni, the Italian company notified Galp Energia on 26 July 2013 that the voting rights attached to the qualified holding held by Amorim Energia were not understood as allocated to Eni, despite the fact that the voting rights held by Eni were still allocated to Amorim Energia. Thus, on 30 June 2015 and on the basis of publicly available market information, Eni had a qualified holding of 8% in Galp Energia's share capital, and the corresponding voting rights, while a total of 46.34% of Galp Energia's voting rights were allocated to Amorim Energia.

In 2010, Parpública – Participações Públicas, SGPS, S.A. (Parpública), a shareholder that owns 7% of Galp Energia's share capital, issued bonds exchangeable into Company shares, representative of its shareholding.

During 2014 there was a significant increase in Galp Energia's free float, having increased 38.32% from the end of 2013 to 46.66%, which contributed to the Company's increased visibility

in the capital markets. Indeed, various entities now hold major stakes in Galp Energia's share capital, as disclosed by the Company pursuant to articles 16 and 17 of the CVM.

In April 2014, BlackRock, Inc. and Capital Research and Management Company (CRMC) reported qualified holdings of 2.4500% and 2.0243%, respectively, in Galp Energia's share capital.

In July 2014, EuroPacific Growth Fund (EUPAC), part of the Capital Group Companies, Inc. (CGC), announced the holding of a 2.0366% stake in the Company's share capital.

In September 2014, the CGC announced that it owned 5.0350%, an amount which was dropped to 4.9023% in December, and which included 20,430,000 shares held by EUPAC, whose proxy voting authority is held by CRMC.

In March 2015, Standard Life Investments (Holdings) Limited (Standard Life) announced the holding of a 2.1119% stake in the Company's share capital.

#### TREASURY SHARES

During the first half of 2015, Galp Energia did not acquire or sell any treasury shares.

On 30 June 2015, Galp Energia did not hold treasury shares.

## SHARE OWNERSHIP ON 30 JUNE 2015 BY CURRENT MEMBERS OF THE BOARD OF DIRECTORS AND THE SUPERVISORY BODIES OF GALP ENERGIA, SGPS, S.A.

In accordance with article 9, paragraph 1 a) of the CMVM Regulation no. 5/2008.

	Total shares on 16.04.2015 <sup>1</sup>	Acquisition			Disposal			Total shares on 31.06.2015	
		From 1 January to 30 June 2015							
		Date	No. of shares	Price (€/share)	Date	No. of shares	Price (€/share)		
Members of the Board of Directors									
Américo Amorim <sup>2</sup>	-							-	
Paula Amorim <sup>2</sup>	-							-	
Carlos Gomes da Silva <sup>2</sup>	2,410							2,410	
Filipe Crisóstomo Silva	5,000							5,000	
Thore Ernst Kristiansen	-							-	
Sérgio Gabrielli de Azevedo	-							-	
Abdul Magid Osman	-							-	
Raquel Rute da Costa David Vunge	-							-	
Carlos Costa Pina	-							-	
Francisco Vahia de Castro Teixeira Rêgo	17,680							17,680	
Miguel Athayde Marques	1,800							1,800	
Jorge Manuel Seabra de Freitas <sup>2</sup>	-							-	
José Carlos da Silva Costa	275							275	
Pedro Carmona de Oliveira Ricardo	5,230							5,230	
João Tiago Cunha Belém da Câmara Pestana	-							-	
Rui Paulo Gonçalves <sup>2</sup>	-							-	
Luís Manuel Todo Bom	-							-	
Diogo Mendonça Tavares	2,940							2,940	
Joaquim José Borges Gouveia	-							-	
Members of the Supervisory Board									
Daniel Bessa Fernandes Coelho	-							-	
Gracinda Augusta Figueiras Raposo	-							-	
Pedro Antunes de Almeida	5							5	
Amável Alberto Freixo Calhau	-							-	
Statutory Auditors									
PricewaterhouseCoopers & Associados, Lda	-							-	
José Manuel Henriques Bernardo	-							-	

<sup>1</sup>Election day for the Company's Board of Directors and Supervisory Board for the four-year period 2015-2018.

<sup>2</sup>For the purposes of article 447, paragraph 2, point d) of the Companies Code, it is stated that Amorim Energia, in which the indicated director also performs management duties, owns 317,934,693 shares of Galp Energia.

On 30 June 2015, none of the members of the Management and Supervisory Boards owned bonds issued by the Company.

## MAIN TRANSACTIONS BETWEEN RELATED PARTIES IN THE FIRST HALF OF 2015

Article no. 246, paragraph 3 c) of the CVM.

During the first half of 2015 there were no relevant transactions between Galp Energia related parties that had a significant effect on its financial situation or respective performance, nor that had an impact on the information included in the annual report concerning the financial year 2014, which were susceptible to have a significant effect on its financial position or on its respective performance over the first six months of the financial year 2015.

### 3. STATEMENT OF COMPLIANCE OF INFORMATION PRESENTED

#### 3.1. STATEMENT OF COMPLIANCE OF THE BOARD OF DIRECTORS

According to article 246, paragraph 1. c) of the CVM, the Board of Directors of Galp Energia declares that:

To the best of their knowledge, (i) the information presented in the financial statements concerning the first half of the financial year 2015 was produced in conformity with the applicable accounting requirements and gives a true and fair view of Galp Energia's assets and liabilities,

financial position and results as well as the companies included in the consolidation as a whole, and (ii) the report and accounts for the first half of 2015 faithfully describes the main developments that occurred during the period and the impact on the income statements, as well as a description of the principal risks and uncertainties for the next six months.

Lisbon, 24 July 2015

#### THE BOARD OF DIRECTORS

**Chairman:** Américo Amorim

Francisco Vahia de Castro Teixeira Rêgo

**Vice-Chairman:** Paula Ramos Amorim

Miguel Athayde Marques

**Vice-Chairman:** Carlos Nuno Gomes da Silva

Jorge Manuel Seabra de Freitas

#### Members

Filipe Crisóstomo Silva

José Carlos da Silva Costa

Thore E. Kristiansen

Pedro Carmona de Oliveira Ricardo

Sérgio Gabrielli de Azevedo

João Tiago Cunha Belém da Câmara Pestana

Abdul Magid Osman

Rui Paulo da Costa Cunha e Silva Gonçalves

Raquel Rute da Costa David Vunge

Luís Manuel Pego Todo Bom

Carlos Manuel Costa Pina

Diogo Mendonça Rodrigues Tavares

Joaquim José Borges Gouveia

### 3.2. STATEMENT OF COMPLIANCE OF THE SUPERVISORY BOARD

According to article 246, paragraph 1. c) of the CVM, each of the members of the Supervisory Board of Galp Energia mentioned below declares that, to the best of their knowledge, the information presented in the financial statements concerning the first half of the financial year 2015 was produced in conformity with the applicable accounting requirements and gives a true and fair view of Galp Energia's assets and liabilities,

financial position and results as well as the companies included in the consolidation as a whole, and the report and accounts for the first half of 2015 faithfully describes the main developments that occurred during the period and the impact on the income statements, as well as a description of the principal risks and uncertainties for the next six months.

Lisbon, 24 July 2015

#### THE SUPERVISORY BOARD

**Chairman:** Daniel Bessa Fernandes Coelho

**Members:**

Gracinda Augusta Figueiras Raposo

Pedro Antunes de Almeida

**Deputy:** Amável Alberto Freixo Calhau

#### 4. ADDITIONAL INFORMATION – CONSOLIDATED FINANCIAL STATEMENTS

##### Galp Energia, SGPS, S.A. and Subsidiaries

##### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2015 AND 31 DECEMBER 2014

(Amounts stated in thousands of Euros – € k)

ASSETS	Notes	June 2015	December 2014
<b>Non-current assets:</b>			
Tangible assets	12	5,221,256	5,052,356
Goodwill	11	139,458	225,361
Intangible assets	12	1,417,642	1,446,906
Investments in associates and jointly controlled entities	4	949,475	786,702
Assets held for sale	4	2,512	2,512
Trade receivables	15	24,162	24,242
Loans to Sinopec	14	-	170,954
Other receivables	14	301,530	187,796
Deferred tax assets	9	377,941	363,973
Other investments	17	23,028	21,378
<b>Total non-current assets:</b>		<b>8,457,004</b>	<b>8,282,180</b>
<b>Current assets:</b>			
Inventories	16	1,047,021	1,210,374
Trade receivables	15	1,167,149	1,115,287
Loans to Sinopec	14	835,492	718,904
Other receivables	14	708,580	667,281
Other investments	17	5,632	10,136
Assets held for sale	3, 4 and 5	28,933	67,273
Cash and cash equivalents	18	1,272,043	1,143,982
<b>Total current assets:</b>		<b>5,064,850</b>	<b>4,933,237</b>
<b>Total assets:</b>		<b>13,521,854</b>	<b>13,215,417</b>
<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>March 2015</b>	<b>December 2014</b>
<b>Equity:</b>			
Share capital	19	829,251	829,251
Share premium		82,006	82,006
Reserves	20	2,827,602	2,701,339
Retained earnings		1,233,101	1,565,335
Consolidated net profit for the period		90,049	(173,394)
<b>Equity attributable to equity holders of the parent:</b>		<b>5,062,009</b>	<b>5,004,537</b>
Non-controlling interests	21	1,482,918	1,420,184
<b>Total equity:</b>		<b>6,544,927</b>	<b>6,424,721</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Bank loans	22	1,002,131	1,113,578
Bonds	22	1,953,979	2,247,541
Other payables	24	567,447	555,840
Retirement and other benefits liabilities	23	421,859	410,591
Deferred tax liabilities	9	111,651	121,188
Other financial instruments	27	581	838
Provisions	25	398,484	184,540
<b>Total non-current liabilities:</b>		<b>4,456,132</b>	<b>4,634,116</b>
<b>Current liabilities:</b>			
Bank loans and overdrafts	22	348,077	303,245
Bonds	22	296,724	-
Trade payables	26	919,776	898,047
Other payables	24	888,070	921,059
Other financial instruments	27	35,884	15,144
Income tax payable	9	32,264	19,085
<b>Total current liabilities:</b>		<b>2,520,795</b>	<b>2,156,580</b>
<b>Total liabilities:</b>		<b>6,976,927</b>	<b>6,790,696</b>
<b>Total equity and liabilities:</b>		<b>13,521,854</b>	<b>13,215,417</b>

The accompanying notes form an integral part of the consolidated statement of financial position as of 30 June 2015.



Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE PERIODS ENDED 30 JUNE 2015 AND 2014

(Amounts stated in thousands of Euros – € k)

	Notes	June 2015	June 2014
<b>Operating income:</b>			
Sales	5	7,879,468	8,606,253
Services rendered	5	296,690	251,466
Other operating income	5	46,912	46,649
<b>Total operating income:</b>		<b>8,223,070</b>	<b>8,904,368</b>
<b>Operating costs:</b>			
Cost of sales	6	6,641,749	7,646,654
External supplies and services	6	642,714	562,158
Employee costs	6	164,323	158,512
Amortisation, depreciation and impairment loss	6	368,003	262,873
Provision and impairment loss on receivables	6	15,332	11,855
Other operating costs	6	28,000	31,482
<b>Total operating costs:</b>		<b>7,860,121</b>	<b>8,673,534</b>
<b>Operating profit:</b>		<b>362,949</b>	<b>230,834</b>
Financial income	8	15,007	25,771
Financial costs	8	(49,466)	(82,554)
Exchange (loss) gain		(25,184)	(17,063)
Share of results of investments in associates and jointly controlled entities	4	(21,451)	34,529
Income on financial instruments	27	(22,008)	12,678
<b>Profit before income tax:</b>		<b>259,847</b>	<b>204,195</b>
Income Tax	9	(124,597)	(92,175)
Energy sector contribution tax	9	(33,139)	(10,418)
<b>Profit before non-controlling interests:</b>		<b>102,111</b>	<b>101,602</b>
Profit attributable to non-controlling interests	21	(12,062)	(26,822)
<b>Consolidated net profit for the period</b>	10	<b>90,049</b>	<b>74,780</b>
<b>Earnings per share (in Euros)</b>	10	<b>0.11</b>	<b>0.09</b>

The accompanying notes form an integral part of the consolidated income statement as of 30 June 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2015  
AND 2014

(Amounts stated in thousands of Euros – € k)

	Notes	June 2015	June 2014
<b>Consolidated net profit for the period</b>	10	<b>90,049</b>	<b>74,780</b>
<u>Other comprehensive income of the period:</u>			
Actuarial Gains and losses - pension fund		(18,519)	17,276
Tax related to actuarial gains and losses - pension fund	9	2,974	-
		(15,545)	17,276
<u>Other comprehensive income which will be recycled in the future for net profits of the period:</u>			
Differences arising on translation of foreign currency financial statements (Group companies)	20	130,746	63,783
Differences arising on translation of foreign currency financial statements (Associated/jointly controlled companies)	4 and 20	44,218	8,581
Differences arising on translation of foreign currency - Goodwill	11 and 20	1,488	(1,885)
Differences arising on translation of foreign currency - Financial allocations ("quasi equity")	20	(79,491)	27,987
Deferred tax related to components of differences arising on translation of foreign currency - Financial allocations ("quasi equity")	9 and 20	27,027	(9,644)
		123,988	88,822
Other increases / (decreases) in hedging reserves (Group companies)	27 and 20	2,760	1,241
Deferred tax related to components of hedging reserves (Group companies)	9 and 20	(621)	(332)
Increases / (decreases) of hedging reserves (Associated/jointly controlled companies)	27 and 20	187	(46)
Deferred tax related to components of hedging reserves (Associated/jointly controlled companies)	20	(51)	(3)
		2,275	860
<b>Other comprehensive income for the period net of tax</b>		<b>110,718</b>	<b>106,958</b>
<b>Comprehensive income for the period assignable to shareholders:</b>		<b>200,767</b>	<b>181,738</b>
Comprehensive income for the period assignable to non-controlling interests		64,351	60,450
<b>Total comprehensive income for the period</b>		<b>265,118</b>	<b>242,188</b>

The accompanying notes form an integral part of the consolidated comprehensive income statement as of 30 June 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2015 AND 2014

(Amounts stated in thousands of Euros – € k)

Changes in the period	Notes	Share capital	Share premium	Translation reserve (Note 20)	Other reserves (Note 20)	Hedging reserves (Note 20)	Retained earnings - Actuarial Gains and Losses - Pension fund (Nota 23)	Retained earnings	Consolidated net profit for the period	Sub-Total	Non-controlling interests (Note 21)	Total
<b>Balance as of 1 January 2014</b>		829,251	82,006	(284,118)	2,680,439	(1,408)	(72,875)	1,738,950	188,661	5,160,906	1,254,894	6,415,800
Consolidated net profit for the period	10	-	-	-	-	-	-	-	74,780	74,780	26,822	101,602
Changes in scope of consolidation		-	-	-	-	-	-	-	-	-	-	-
Other gains and losses recognised in Equity		-	-	88,822	-	860	17,276	-	-	106,958	33,628	140,586
Comprehensive income for the period		-	-	88,822	-	860	17,276	-	74,780	181,738	60,450	242,188
Dividends distributed / Interim dividends		-	-	-	-	-	-	(119,412)	-	(119,412)	(4,330)	(123,742)
Increase of equity in subsidiaries		-	-	-	-	-	-	-	-	-	9,295	9,295
Appropriation of profit to reserves		-	-	-	-	-	-	188,661	(188,661)	-	-	-
<b>Balance as of 30 June 2014</b>		829,251	82,006	(195,296)	2,680,439	(548)	(55,599)	1,808,199	74,780	5,223,232	1,320,309	6,543,541
<b>Balance as of 1 January 2015</b>		829,251	82,006	17,669	2,684,414	(744)	(99,570)	1,664,905	(173,394)	5,004,537	1,420,184	6,424,721
Consolidated net profit for the period	10	-	-	-	-	-	-	-	90,049	90,049	12,062	102,111
Other gains and losses recognised in Equity		-	-	123,988	-	2,275	(15,545)	-	-	110,718	52,289	163,007
Comprehensive income for the period		-	-	123,988	-	2,275	(15,545)	-	90,049	200,767	64,351	265,118
Dividends distributed / Interim dividends	30	-	-	-	-	-	-	(143,295)	-	(143,295)	(1,617)	(144,912)
Increase of equity in subsidiaries	3 and 20	-	-	-	-	-	-	-	-	-	-	-
Appropriation of profit to reserves		-	-	-	-	-	-	(173,394)	173,394	-	-	-
<b>Balance as of 30 June 2015</b>		829,251	82,006	141,657	2,684,414	1,531	(115,115)	1,348,216	90,049	5,062,009	1,482,918	6,544,927

The accompanying notes form an integral part of the consolidated statement of changes in equity as of 30 June 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH-FLOW FOR THE PERIODS ENDED 30 JUNE 2015 AND 2014

(Amounts stated in thousands of Euros – € k)

	Notes	JUNE 2015	JUNE 2014	December 2014
<b>Operating activities:</b>				
Cash received from customers (including VAT and Tax on Oil Products)		9,094,017	9,864,973	20,475,148
Cash paid to suppliers (including VAT)		(5,853,912)	(7,198,854)	(14,610,738)
Taxes on oil products (ISP)		(1,314,300)	(1,148,719)	(2,489,107)
Payments relating to VAT		(845,968)	(982,486)	(1,928,005)
Royalties, PIS and Cofins taxes, Others		(39,011)	(38,313)	(91,898)
<b>Operating Gross Margin</b>		<b>1,040,826</b>	<b>496,601</b>	<b>1,355,400</b>
Cash paid to employees, contributions to the pension fund, others		(92,542)	(123,540)	(198,372)
Withholding of payments made to third parties		(46,298)	(38,227)	(83,658)
Social Security contributions		(37,282)	(34,861)	(76,006)
<b>Staff related costs</b>		<b>(176,122)</b>	<b>(196,628)</b>	<b>(358,036)</b>
Other receipts/payments relating to operating activities		(20,078)	(19,921)	(58,275)
<b>Cash flows from operations</b>		<b>844,626</b>	<b>280,052</b>	<b>939,089</b>
Cash (paid)/received relating to income tax		(66,685)	(54,078)	(159,342)
<b>Net cash provided by / used in operating activities (1)</b>		<b>777,941</b>	<b>225,974</b>	<b>779,747</b>
<b>Investing activities:</b>				
Cash receipts relating to Tangible and Intangible assets		68,856	556	2,126
Cash payments relating to acquisitions of Tangible and Intangible assets		(512,769)	(340,760)	(831,834)
Cash receipts relating to Financial Investments		1	-	800
Cash payments relating to Financial Investments		(130,477)	(75,867)	(231,288)
<b>Net Financial Investment</b>		<b>(574,389)</b>	<b>(416,071)</b>	<b>(1,060,196)</b>
Cash receipts relating to loans granted (includes Sinopec)		128,587	80,727	101,404
Cash payments relating to loans granted		(1,083)	(856)	(976)
Cash receipts relating to Interest and similar income (includes Sinopec)		15,680	12,490	39,244
Cash receipts relating to Dividends	4	37,177	27,854	73,805
<b>Net cash provided by / used in investing activities (2)</b>		<b>(394,028)</b>	<b>(295,856)</b>	<b>(846,719)</b>
<b>Financing activities:</b>				
Cash receipts relating to Borrowings		578,732	9,104	750,767
Cash payments relating to Borrowings		(667,363)	(362,200)	(819,656)
Cash receipts/payments relating to Interest and similar costs		(86,854)	(83,958)	(157,516)
Dividends Paid	30	(144,911)	(123,742)	(274,857)
Other financing activities		927	1,788	2,567
<b>Net cash provided by / used in financing activities (3)</b>		<b>(319,469)</b>	<b>(559,008)</b>	<b>(498,695)</b>
Net change in cash and cash equivalents (4) = (1) + (2) + (3)		64,444	(628,890)	(565,667)
Effect of foreign exchange rate changes		82,589	13,804	182,892
Change in scope of consolidation	3	(1,040)	693	-
Cash and cash equivalents at the beginning of the period	18	1,023,396	1,405,238	1,406,171
Cash and cash equivalents at the end of the period	18	1,169,389	790,845	1,023,396

The accompanying notes form an integral part of the consolidated statement of cash flows as of 30 June 2015.

In the period ended 30 June 2015, Galp Energia Group, compared with previous reports, decided to change the form of presentation of the statement of cash flows, as it believes that will improve their reading. The values of 30 June 2014 and 31 December 2014, were presented according to the new presentation.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2015

(Amounts stated in thousands of Euros – € k)

**1. Introduction**

a) Parent Company:

Galp Energia, SGPS, S.A. (hereinafter referred to as Galp Energia, the Group or the Company) has its Head Office in Rua Tomás da Fonseca in Lisbon and its corporate goal is to manage equity participations in other companies.

The Company shareholder position as of 30 June 2015 is stated in Note 19.

The Company is listed on the NYSE Euronext Lisbon stock exchange.

b) The Group:

As of 30 June 2015 the Galp Energia Group (the Group) was made up of Galp Energia and its subsidiaries, which include, among others: (i) Petróleos de Portugal – Petrogal, S.A. (Petrogal) and its subsidiaries, which operate upstream and downstream in the crude oil and related derivatives sector; (ii) Galp Gás & Power, SGPS, S.A. and its subsidiaries, which operates in the natural gas sector, electricity sector and renewable energy sector; (iii) Galp Energia E&P, B.V. integrating the oil exploration activities and (iv) Galp Energia, S.A. which integrates the corporate support services.

b1) Upstream operations

The Exploration & Production (E&P) business segment is responsible for the presence of Galp Energia in the oil industry upstream sector, which consists of the supervision and performance of all activities relating to exploration, development and production of hydrocarbons, essentially in Angola, Brazil and Mozambique.

b2) Downstream operations

The Refining & Marketing (R&M) business segment owns the two only existent refineries in Portugal and also includes all activities relating to the retail and wholesale marketing of oil products (including LPG). The R&M segment also comprises most of the oil products storage and transportation infrastructure in Portugal, for both export and marketing of its main products to the consumption centres. This retail marketing activity, using the Galp Energia brand, also includes Spain, Angola, Cape Verde, Gambia, Guinea-Bissau, Mozambique and Swaziland through fully owned subsidiaries of the Group.

b3) Natural gas activity and electricity production and commercialisation

The Gas & Power (G&P) business segment encompasses the areas of procurement, supply, distribution and storage of natural gas and electric and thermal power generation.

The natural gas activity includes (i) Procurement and supply and (ii) Distribution and supply.

The procurement and supply of natural gas segment supplies natural gas to large industrial customers, with annual consumptions of more than 2 mm<sup>3</sup>, power cogeneration companies, and natural gas distribution companies and Autonomous Gas Unit (AGU). So as to meet the demand of its customers, Galp Energia has long-term supply contracts with companies in Algeria and Nigeria.

The natural gas distribution and supply activity in Portugal includes the natural gas distribution and supply companies in which Galp Energia has a significant stake. Its purpose is to sell natural gas to those residential, commercial and industrial customers with annual consumptions of less than 2 mm<sup>3</sup>. Galp Energia is also a player in the Spanish regulated market, supplying low pressure natural gas, through its subsidiaries, to 38 neighboring municipalities of Madrid. This activity includes the supply of natural gas to end customers, both regulated and non-regulated, in the area covered by the distribution activity.

The natural gas subsidiaries of the Galp Energia Group that supply natural gas in Portugal, operate based on concession contracts entered into with the Portuguese State, which end in 2047. At the end of these periods, the assets relating to the concessions will be transferred to the Portuguese State and the companies will receive an amount corresponding to the book value of these assets at that date, net of depreciation, financial co-participation and Government grants.

The accompanying financial statements are presented in thousands of euros, unless otherwise stated.

**2. Significant Accounting Policies**

Galp Energia's consolidated financial statements were prepared on a going concern basis, at historical cost except for financial derivative instruments which are stated at fair value, on the accounting records of the companies included in the consolidation maintained in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the year beginning 1 January 2015. These standards include IFRS issued by the International Accounting Standards Board (IASB) and International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and respective interpretations – SIC and IFRIC, issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC). These standards and interpretations are hereinafter referred to as IFRS.

The Board of Directors believes that the consolidated financial statements and the accompanying notes provide for a fair presentation of the consolidated interim financial information prepared in accordance with "IAS 34 – Interim Financial Reporting". Estimates that affect the amounts of assets and liabilities and income and costs were used in preparing the consolidated financial statements. The estimates and assumptions used by the Board of Directors were based on the best information available regarding events and transactions in process at the time of approval of the consolidated financial statements.



In respect to the construction contracts contemplated by the IFRIC12, construction activity for assets under concession is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are recognised as other operating costs and other operating income.

As of 30 June 2015 only material changes required by IFRS 7 were disclosed. For all other disclosures under this standard consult the Company's consolidated financial statements as of 31 December 2014.

### 3. Consolidated Companies

During the period ended 30 June 2015, the scope of consolidation do changed compared to the year ended on 31 December 2014. For further information consult the Company's consolidated financial statements as of 31 December 2014.

#### a) Dissolved and liquidated companies:

On 29 May 2015 the subsidiary Next Priority, SGPS, SA, 100% owned by Galp Energia, SGPS, SA, was dissolved. As a result of this transaction the Group recognised in the income statement the total cost of € 1 k (Note 4.2).

#### b) Disposal:

On 30 June 2015 Galp Energia, SGPS, SA reached an agreement with Endesa for the sale of natural gas marketing activities in the region of Madrid, in Spain. The transaction includes the sale of natural gas, electricity and other services to the residential segment, the area that encompasses several municipalities adjacent to the city of Madrid.

These activities are carried out mostly by subsidiaries of Madrileña Suministro de Gas, SL and Madrileña Suministro de Gas SUR, SL, held respectively, 100% by Galp Energia España, SA and Petroleos de Portugal - Petrogal, SA (Spanish branch).

The transaction value (Enterprise Value) amounts to € 24.1 m, which will be adjusted for working capital and the net debt in the transaction perimeter at the closing date. The transaction is subject to approval by the competent authorities and should be completed during the second half of 2015.

Arising out of this transaction the Group recognised in the income statement in the caption of share of results of investments in associates and jointly controlled entities a net capital loss in the amount of € 15,447 k (Note 4.2). The amount to receive from the disposal, is recorded in the statement of financial position in the caption of current assets held for sale amounting to € 28,933 k.

The changes in the scope of consolidation that occurred in the period ended 30 June 2015 had the following impact on the consolidated financial statements of the Galp Energia Group:

Statement of Financial Position

(€ k)

Assets	Notas	Total	Madrileña Suministro de Gas S.L. (Note 3b))	Madrileña Suministro de Gas SUR S.L. (Note 3b))	Next Priority, SGPS, S.A. (Note 3a))
<b>Non-current assets:</b>					
Intangible assets	12	835	342	493	-
Other receivables	14	83	83	-	-
Deferred tax assets	9	1,420	521	899	-
<b>Total non-current assets:</b>		<b>2,338</b>	<b>946</b>	<b>1,392</b>	<b>-</b>
<b>Currents assets:</b>					
Trade receivables	15	13,302	7,646	5,656	-
Other receivables	14	20,842	16,074	4,767	1
Receivable income tax	9	3,076	932	2,144	-
Cash and cash equivalents	18	1,040	436	604	-
<b>Total current assets:</b>		<b>38,260</b>	<b>25,088</b>	<b>13,171</b>	<b>1</b>
<b>Total Assets:</b>		<b>40,598</b>	<b>26,034</b>	<b>14,563</b>	<b>1</b>
<b>Liabilities:</b>					
<b>Non-current liabilities:</b>					
Other payables	24	11	11	-	-
Provisions	25	60	60	-	-
<b>Total non-current liabilities:</b>		<b>71</b>	<b>71</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities:</b>					
Trade Payables	26	26,548	17,348	9,200	-
Other payables	24	5,986	1,641	4,345	-
Payable income tax	9	2,064	2,039	25	-
<b>Total current liabilities:</b>		<b>34,598</b>	<b>21,028</b>	<b>13,570</b>	<b>-</b>
<b>Total liabilities:</b>		<b>34,669</b>	<b>21,099</b>	<b>13,570</b>	<b>-</b>
<b>%</b>			<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>
Amount of investments in subsidiaries and affiliates		5,929	4,935	993	1
Goodwill	11	38,452	29,766	8,686	-
<b>Book value of investments in subsidiaries and affiliates</b>		<b>44,381</b>	<b>34,701</b>	<b>9,679</b>	<b>1</b>
Sale price		24,100	16,150	7,950	-
Working capital		4,833	2,449	2,384	-
<b>Non current assets held for sale</b>		<b>28,933</b>	<b>18,599</b>	<b>10,334</b>	<b>-</b>
<b>Share of results of investments in associates and jointly controlled entities</b>	<b>4.2</b>	<b>(15,448)</b>	<b>(16,102)</b>	<b>655</b>	<b>(1)</b>

**c) Corporate restructuring:**

The group is organised into four business segments, where they are defined on the basis of any type of goods sold and services provided, with the following business units (exploration and production, refining and marketing of oil products, gas and power and other). In order to obtain a more simplified structure, the Group is clustering the businesses under the respective sub-holding.

In December 2014 Galp Energia Portugal Holding BV owned 100 % interest in the subsidiary Galp Exploração e Produção Petrolífera, S.A..

Arising from ongoing organizational restructuring of the group, given the activity of companies and the currency in which they carry out their operations, the Group considers Galp Exploração e Produção Petrolífera, S.A. best suited among the upstream segment. Thus, on 17 June 2015, Galp Energia Portugal Holding BV sold to Galp Energia E&P BV, 100% of the equity held in Galp Exploração e Produção Petrolífera, SGPS, SA and its respective subsidiaries:

Companies	Head office		Percentage interest held		Main activity
	City	Country	2015	2014	
Galp Exploração e Produção Petrolífera, SGPS, S.A. and subsidiaries:	Lisbon	Portugal	100,00%	100,00%	Management of equity participations in other companies as an indirect exercise of economic activity.
Galp Energia Overseas B.V. and subsidiaries:	Amsterdam	The Netherlands	100,00%	100,00%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of petroleum and natural gas, as well as trading in petroleum, natural gas and petroleum products; management of investments in other companies and financing of businesses and other companies.
Galp Energia Overseas Block 14 B.V.	Rotterdam	The Netherlands	100,00%	100,00%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas Block 14 B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas Block 32 B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas Block 32 B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas Block 33 B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas Block 33 B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas LNG B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.
Galp Energia Overseas LNG B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of shares of other societies and financing businesses and companies.

For further information refer to the consolidated statements of the Company, on 31 December 2014 and its annex.

#### 4. Financial Investments

##### 4.1. Investments in jointly controlled entities

The changes in the caption “Investments in jointly controlled entities” for the period ended 30 June 2015 which are reflected by the equity method were as follows:

(€ k)							
Companies	Beginning balance	Increase in participation	Gain / Loss	Translation adjustment	Hedging reserves adjustment	Dividends	Ending balance
<b>Investments</b>							
Tupi B.V.	(a) 591,859	102,536	8,706	49,160	-	-	752,261
Belem Bioenergia Brasil, S.A.	(b) 45,838	8,918	(3,712)	(2,953)	-	-	48,091
C.L.C. - Companhia Logística de Combustíveis, S.A.	23,412	-	1,737	-	-	(3,913)	21,236
Galp Disa Aviacion, S.A.	8,891	-	776	-	-	(509)	9,158
Parque Eólico da Penha da Gardunha, Lda.	1,628	-	-	-	-	-	1,628
Moçamgalp Agroenergias de Moçambique, S.A.	315	-	21	13	-	-	349
Asa - Abastecimento e Serviços de Aviação, Lda.	23	-	14	-	-	-	37
	<b>671,966</b>	<b>111,454</b>	<b>7,542</b>	<b>46,220</b>	<b>-</b>	<b>(4,422)</b>	<b>832,760</b>
<b>Provisions for investments in jointly controlled entities (Note 25)</b>							
Ventinveste, S.A.	(1,452)	-	(287)	-	239	-	(1,500)
Caiageste - Gestão de Áreas de Serviço, Lda.	(15)	-	(16)	-	-	-	(31)
	<b>(1,467)</b>	<b>-</b>	<b>(303)</b>	<b>-</b>	<b>239</b>	<b>-</b>	<b>(1,531)</b>
	<b>670,499</b>	<b>111,454</b>	<b>7,239</b>	<b>46,220</b>	<b>239</b>	<b>(4,422)</b>	<b>831,229</b>

(a) € 102,536 k corresponds to the capital increase in Galp Sinopec Brazil Services, B.V.. The ownership of the subsidiary's Tupi, B.V. is shared between: Galp Sinopec Brazil Services, B.V., Petrobras Netherlands, B.V. and BG Overseas Holding Ltd, that hold, respectively, 10%, 65% and 25% of its share capital.

(b) € 8,918 k corresponds to the capital increase made in Belém Bioenergia Brasil, SA. Control of the subsidiary Belém Brazil Bioenergy, SA is shared between: Galp Bioenergy BV and Petrobrás Biocombustíveis SA, each holding 50% of its share capital.

##### 4.2. Investments in associates

The changes in the caption “Investments in associates” for the period ended 30 June 2015 were as follows:

(€ k)								
Companies	Beginning balance	Gain / Loss	Exchange conversion adjustment	Hedging reserves adjustment	Actuarial gain / loss	Dividends	Transfers / adjustments	Ending balance
<b>Investments</b>								
EMPL - Europe Magreb Pipeline, Ltd	52,668	-	27,656	(530)	-	-	(26,336)	53,458
Gasoduto Al-Andaluz, S.A.	18,354	-	2,949	-	-	-	(3,856)	17,447
Gasoduto Extremadura, S.A.	15,278	-	3,140	-	-	-	(3,965)	14,453
Tagusgás - Empresa de Gás do Vale do Tejo, S.A.	12,941	-	519	-	1	1	-	13,462
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda.	10,875	-	1,109	(1,393)	-	-	-	10,591
Metragaz, S.A.	1,124	-	49	5	-	-	-	1,178
Terparque - Armazenagem de Combustíveis, Lda.	795	-	2	-	-	-	-	797
C.L.C. Guiné Bissau – Companhia Logística de Combustíveis da Guiné Bissau, Lda.	811	-	23	-	-	-	-	834
IPG Galp Beira Terminal Lda	1,011	2,335	-	(50)	-	-	-	3,296
Sodigás-Sociedade Industrial de Gases, S.A.R.L	197	112	242	(1)	-	-	-	550
Galp IPG Matola Terminal Lda	682	-	-	(33)	-	-	-	649
	<b>114,736</b>	<b>2,447</b>	<b>35,689</b>	<b>(2,002)</b>	<b>1</b>	<b>1</b>	<b>(34,157)</b>	<b>116,715</b>
<b>Provision for investment in associates (Note 25)</b>								
Energim - Sociedade de Produção de Electricidade e Calor, S.A.	(2,397)	-	7	-	-	-	-	(2,390)
Aero Serviços, SARL - Sociedade Abastecimento de Serviços Aeroportuários	(90)	-	-	-	-	-	-	(90)
	<b>(2,487)</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,480)</b>
	<b>112,249</b>	<b>2,447</b>	<b>35,696</b>	<b>(2,002)</b>	<b>1</b>	<b>1</b>	<b>(34,157)</b>	<b>114,235</b>

The consolidated income statement caption “Share of results of investments in associates and jointly controlled entities” for the period ended 30 June 2015 is as follows:

	(€ k)	
	June 2015	June 2014
<b><u>Effect of applying the equity method:</u></b>		
Associates	35,696	26,176
Jointly controlled entities	7,239	8,346
<b><u>Effect of the disposal of the capital group and associated companies:</u></b>		
Loss on disposal of 100% stake Madrileña Suministro de Gas SL (Note 3).	(16,102)	-
Gain on disposal of 100% stake of Madrileña Suministro de Gas SUR SL (Note 3).	655	-
<b><u>Effect of the sale of price adjustment of the capital group and associated companies:</u></b>		
Gain on disposal of Compañía Logística de Hidrocarburos CLH, SA	2	-
<b><u>Differences in acquisition of equity shares of group companies and associates:</u></b>		
Acquisition of 0.032% share of Lusitaniagás - Companhia Gás do centro, SA	-	2
<b><u>Liquidation of the effect of group companies:</u></b>		
Liquidation of the subsidiary Next Priority, SGPS, SA (Note 3 a)).	(1)	-
<b><u>Effect of Goodwill impairments of group companies:</u></b>		
Goodwill impairment of the subsidiary, Galp Distribución Oil España, SAU which is recorded in Goodwill (Note 11).	(35,028)	-
Goodwill impairment of the subsidiary, Galp Comercialización España, SL which is recorded in Goodwill (Note 11).	(6,152)	-
Goodwill impairment of the subsidiary, Petróleos de Valência, SA which is recorded in Goodwill (Note 11).	(7,759)	-
<b><u>Others</u></b>	(1)	5
	<b>(21,451)</b>	<b>34,529</b>

The total amount of €38,579 k corresponding to dividends, approved by the general shareholders meeting of the respective companies, was reflected in the caption “Investments in associates and jointly controlled entities” (Note 4.1 and 4.2). The amount of dividends received in the period ended 30 June 2015 was €37,177 k.

The difference between the amount received and the amount recognised under the caption Investments in associates and jointly controlled entities of € 1,402 k refer to: (i) € 4,935 k of unfavourable exchange rate differences that occurred at the time of payment and that were reflected in the gains (losses) in the income statement; (ii) € 1,216 k received dividends from assets available for sale; (iii) € 7,821 k dividends approved at the General Meeting of the respective companies and are not yet settled; and (iv) € 268 k relating to received dividends in respect of amounts approved in previous years.

The goodwill in associates and jointly controlled entities, as of 30 June 2015 and of 31 December de 2014 included in the caption “Investments in associates and jointly controlled entities”, was subject to the impairment test in the respective cash generating unit and is as follows:

	(€ k)	
	June 2015	December 2014
Parque Eólico da Penha da Gardunha, Lda.	1,939	1,939
	<b>1,939</b>	<b>1,939</b>

#### 4.3. Assets held for sale

During the period ended 30 June 2015, there were no significant changes in the caption “Assets held for sale”, compared to the consolidated financial statements of the Company on 31 December 2014. For further clarification, refer to the consolidated financial statements of the Company as of 31 December 2014 and the respective Notes.

## 5. Operating Income

The Group's operating income for the periods ended 30 June 2015 and 2014 is as follows:

	(€ k)	
Captions	2015	2014
Sales:		
Merchandise	3,566,040	4,102,822
Products	4,313,428	4,503,431
	<b>7,879,468</b>	<b>8,606,253</b>
Services rendered	<b>296,690</b>	<b>251,466</b>
Other operating income:		
Supplementary income	23,968	21,057
Revenues arising from the construction of assets under IFRIC12	7,898	14,632
Operating government grants	37	2
Internally generated assets	(76)	165
Investment grants (Note 13)	7,624	5,097
Gain on fixed assets	2,870	723
Other	4,591	4,973
	<b>46,912</b>	<b>46,649</b>
	<b>8,223,070</b>	<b>8,904,368</b>

Sales of fuel include the Portuguese Tax on Oil Products (ISP).

The variation on the caption "Sales" is mainly due to the lower prices.

The amount of € 2,870 k in the caption "Gain on fixed assets" includes the capital gain in the amount of € 1,750 k from the sale, made in the period ended 30 June 2015, of the non-current assets held for sale for the year ended 31 December 2014 corresponding to part of the underground storage of natural gas concession in Pombal owned by Transgás Armazenagem – Sociedade Portuguesa de Armazenagem de Gás Natural, SA that was acquired by REN – Rede Energética Nacional, and which amounted to €67,273 k.

Regarding the construction contracts subject to the IFRIC12, construction activity of the concession assets is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are immaterial when compared to total revenues and operating costs below that can be detailed as follows:

	(€ k)	
Captions	2015	2014
Costs arising from the construction of assets under IFRIC12 (Note 6)	(7,898)	(14,632)
Revenues arising from the construction of assets under IFRIC12	7,898	14,632
<b>Margin</b>	<b>-</b>	<b>-</b>

## 6. Operating Costs

The results for the periods ended 30 June 2015 and 2014 were affected by the following items of operating costs:

	(€ k)	
Captions	2015	2014
<b>Cost of sales:</b>		
Raw and subsidiary materials	3.223.030	4.178.507
Merchandise	2.131.472	2.092.018
Tax on Petroleum Products	1.293.848	1.227.102
Variation in production	58.629	132.893
Impairment in inventories (Note 16)	(98.754)	6.071
Financial derivatives (Note 27)	33.524	10.063
	<b>6.641.749</b>	<b>7.646.654</b>
<b>External supplies and services:</b>		
Subcontracts - network usage	196.830	162.008
Subcontracts	5.187	2.384
Transport of merchandise	100.019	81.756
Storage and filling	29.812	34.581
Rental costs	40.265	42.026
Blocks production costs	61.497	50.589
Maintenance and repairs	26.094	30.124
Insurance	23.118	21.378
Royalties	25.141	21.781
IT services	12.462	11.753
Commissions	7.111	9.040
Advertising	1.664	6.907
Electricity, water, steam and communications	33.224	9.076
Technical assistance and inspection	3.495	5.829
Port services and fees	4.333	3.716
Other specialized services	30.009	28.054
Other external supplies and services	11.866	12.378
Other costs	30.587	28.778
	<b>642.714</b>	<b>562.158</b>
<b>Employee costs:</b>		
Statutory boards remuneration (Note 29)	3.811	3.216
Employee remuneration	112.491	103.290
Social charges	27.229	26.730
Retirement benefits - pensions and insurance (Note 23)	16.254	18.530
Other insurance	4.679	4.778
Capitalisation of employee costs	(3.859)	(2.844)
Other costs	3.718	4.812
	<b>164.323</b>	<b>158.512</b>
<b>Amortisation, depreciation and impairment:</b>		
Amortisation and impairment of tangible assets (Note 12)	323.764	225.402
Amortisation and impairment of intangible assets (Note 12)	23.626	16.556
Amortisation and impairment of concession arrangements (Note 12)	20.613	20.915
	<b>368.003</b>	<b>262.873</b>
<b>Provision and impairment of receivables:</b>		
Provisions and reversals (Note 25)	6.969	(3.747)
Impairment loss on trade receivables (Note 15)	8.493	15.165
Impairment loss (gain) on other receivables	(130)	437
	<b>15.332</b>	<b>11.855</b>
<b>Other operating costs:</b>		
Other taxes	6.735	7.206
Costs arising from the construction of assets under IFRIC12 (Note 5)	7.898	14.632
Loss on tangible assets	397	549
Donations	357	671
CO2 Licenses	3.577	2.318
Other operating costs	9.036	6.106
	<b>28.000</b>	<b>31.482</b>
	<b>7.860.121</b>	<b>8.673.534</b>



The caption "Subcontracts – network usage (gas and electricity)" refers to charges for the use of:

- Distribution network usage (URD);
- Transportation network usage (URT);
- Global system usage (UGS).

The amount of €196,830 k recorded in this caption mainly includes the amount of €38,123 k charged by Madrileña Red de Gas, €122,834 k charged by EDP Distribuição Energia and €20,786 k charged by Ren Gasodutos.

## 7. Segment Reporting

### Business segments

The Group is organised into four business segments which were defined based on the type of products sold and services rendered, with the following business units:

- Exploration & Production;
- Refining & Marketing of oil products;
- Gas & Power;
- Others.

For the business segment "Others", the Group considered the holding company Galp Energia, SGPS, S.A., and companies with different activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

Note 1 presents a description of the activities of each business segment:

Below is the financial information on the previously identified segments, as of 30 June 2015 and of 2014:

(€ k)

	Exploration & Production		Refining & Marketing		Gas & Power		Others		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income												
Sales and services rendered	326,252	359,404	6,190,000	6,893,217	1,809,788	1,877,773	60,654	56,843	(210,536)	(329,518)	8,176,158	8,857,719
Inter-segments	47,928	151,901	668	1,542	113,404	129,456	46,130	46,619	(208,130)	(329,518)	-	-
External	278,324	207,503	6,189,332	6,891,675	1,696,384	1,748,317	14,524	10,224	(2,406)	-	8,176,158	8,857,719
EBITDA (1)	210,878	210,921	309,343	39,896	208,751	243,012	17,283	11,733	29	-	746,284	505,562
Non cash costs												
Amortisation, depreciation and impairment loss	(194,737)	(87,969)	(139,013)	(141,549)	(32,027)	(31,763)	(2,226)	(1,592)	-	-	(368,003)	(262,873)
Provisions and impairments	-	14	(9,918)	(12,212)	(5,414)	(2,887)	-	3,230	-	-	(15,332)	(11,855)
EBIT	16,141	122,966	160,412	(113,865)	171,310	208,362	15,057	13,371	29	-	362,949	230,834
Results of investments in associates	8,761	5,088	(48,107)	3,563	17,929	25,878	(893)	-	859	-	(21,451)	34,529
Other financial results	40,311	22,575	(85,784)	(65,478)	(6,009)	(17,366)	(29,277)	(899)	(892)	-	(81,651)	(61,168)
Income tax	(65,478)	(81,952)	(27,389)	29,397	(35,965)	(40,858)	4,235	1,238	-	-	(124,597)	(92,175)
Energy sector contribution tax	-	-	(15,057)	(3,473)	(18,082)	(6,945)	-	-	-	-	(33,139)	(10,418)
Non Controlling Interest	(11,242)	(23,390)	(99)	(1,665)	(725)	(1,767)	-	-	4	-	(12,062)	(26,822)
Consolidated net profit of the period	(11,507)	45,287	(16,024)	(151,521)	128,458	167,304	(10,878)	13,710	-	-	90,049	74,780
30 June 2015 and 31 December 2014												
Other information												
Assets by segment (2)												
Investment (3)	752,561	592,173	97,622	94,870	101,634	102,001	170	170	-	-	951,987	789,214
Other assets	5,795,594	5,099,522	5,568,536	5,954,129	2,795,226	2,722,801	2,270,851	2,168,099	(3,860,340)	(3,518,348)	12,569,867	12,426,203
Total consolidated assets	6,548,155	5,691,695	5,666,158	6,048,999	2,896,860	2,824,802	2,271,021	2,168,269	(3,860,340)	(3,518,348)	13,521,854	13,215,417
Total consolidated liabilities	1,040,974	870,045	3,980,718	3,713,456	2,097,807	2,065,143	3,717,768	3,660,400	(3,860,340)	(3,518,348)	6,976,927	6,790,696
Investment in tangible and intangible assets	494,164	817,801	17,085	102,994	8,585	29,481	3,125	7,294			522,959	957,570
(1) EBITDA = Segment results/EBIT + Amortisation+Provisions												
(2) Net amount												
(3) In accordance with the equity method												

Inter-segmental sales and services rendered

					(€ k)
Segments	Exploration & production	Refining & Marketing	Gas & Power	Other	TOTAL
Gas & Power	-	322	-	13,494	13,816
Refining & Marketing	47,928	-	113,404	27,600	188,932
Exploration & production	-	333	-	5,036	5,369
Other	-	13	-	-	13
	<b>47,928</b>	<b>668</b>	<b>113,404</b>	<b>46,130</b>	<b>208,130</b>

The main inter-segmental transactions of sales and services rendered are primarily related to:

- Gas & Power: natural gas sales for the refining process of Matosinhos and Sines refineries (refining and marketing of oil products);
- Refining & Marketing: supply of fuel to all Group company vehicles;
- Exploration & Production: sales of crude to the Refining & Marketing segment; and
- Other: back-office and management services.

The commercial and financial transactions between related parties are performed according to the usual market conditions similar to transactions performed with independent companies.

The assumptions underlying the determination of prices in transactions between Group companies rely on the consideration of the economic realities and characteristics of the situations at hand, that is, comparing the characteristics of operations or companies that might have impact on the intrinsic conditions of the commercial transactions in analysis. In this context, among other, the goods and services traded, the functions performed by the parties (including the assets used and risks assumed), the contractual terms, the economic situation of the parties as well as their negotiation strategies, are analysed.

In conclusion, market prices are determined not only by analysing the functions performed, the assets used and the risks incurred by one entity, but also considering the contribution of those elements to the Company's profitability. This analysis assesses whether the profitability indicators of the companies involved fall within the estimated ranges on the basis of the assessment of a panel of functionally comparable independent companies, thus allowing the prices to be fixed in order to respect the competition principle.

## 8. Financial Income and Costs

Financial income and financial costs for the periods ended 30 June 2015 and 2014 are as follows:

(€ k)		
Captions	2015	2014
<b>Financial income:</b>		
Interest on bank deposits	10,547	11,272
Interest and other income - related companies	2,541	11,960
Other financial income	1,919	2,539
	<b>15,007</b>	<b>25,771</b>
<b>Financial costs:</b>		
Interest on bank loans, overdrafts and other	(63,463)	(70,242)
Interest - related parties	(3,917)	(4,736)
Interest capitalized in fixed assets (Note 12)	38,701	20,510
Interest on retirement benefits and other benefits	(5,072)	(5,846)
Costs relating to loans	(10,159)	(17,453)
Other financial costs	(5,556)	(4,787)
	<b>(49,466)</b>	<b>(82,554)</b>
	<b>(34,459)</b>	<b>(56,783)</b>

During the period ended 30 June 2015, the Group capitalised the amount of €38,701 k in fixed assets in progress, regarding interests on loans to finance capital expenditure on tangible and intangible assets during their construction phase.

## 9. Income Tax

Income tax for the periods ended 30 June 2015 and 2014 are as follows:

(€ k)		
Captions	June 2015	June 2014
Current income tax	62,060	62,271
IRP Provision - Tax on Oil income	10,195	14,715
SPT - Special Participation Tax	46,341	30,294
Insufficiency / (excess) of income tax for the preceding year	(9,437)	1,113
Deferred tax	15,438	(16,218)
	<b>124,597</b>	<b>92,175</b>
Energy sector contribution tax	33,139	10,418
	<b>157,736</b>	<b>102,593</b>

The caption IRP – Tax on Oil Income includes the amount of €5,108 k related to the provision constituted during the first semester of 2015 (Note 25).

The SPT caption - Special Participation Tax includes the amount of € 12,592 k concerning the provision made in the first half of 2015 (Note 25).

The caption Energy Sector contribution Tax includes the amount of € 14,596 k and € 12,561 k for the CESE 1 and the CESE 2 respectively, as described in Note 25 and € 5,982 k relating to the Fondo Nacional de Eficiencia Energética (FNEE) supported in Spain.

The Group has recognised as Income tax payable the amount of € 32,264 k.

### Deferred taxes

The balance of deferred tax assets and liabilities as of 30 June 2015 is as follows:

(€ k)						
Captions	Deferred tax June 2015 - Assets					
	Beginning balance	Effect in results	Effect in equity	Effect of currency conversion rate	Other adjustments	Ending balance
Adjustments to accruals and deferrals	8,284	(684)	-	-	(2)	7,598
Adjustments to tangible and intangible assets	25,033	11,059	-	2,117	8,960	47,169
Adjustments to inventories	742	(187)	-	-	-	555
Overlifting adjustments	147	(160)	-	13	-	-
Retirement benefits and other benefits	100,847	(480)	2,974	-	-	103,341
Double economical taxation	3,522	(771)	-	-	1	2,752
Tax losses carried forward	65,950	3,008	-	(1,143)	(8,968)	58,847
Regulated revenue	14,083	(3,694)	-	-	-	10,389
Provisions non deductible	27,374	2,288	-	(511)	18	29,169
Financial expenses non deductible	-	3,952	-	-	-	3,952
Potential Foreign exchange differences Brazil	79,523	(52,005)	38,611	674	(105)	66,698
Other	38,468	10,275	-	(37)	(1,235)	47,471
	<b>363,973</b>	<b>(27,399)</b>	<b>41,585</b>	<b>1,113</b>	<b>(1,331)</b>	<b>377,941</b>

(€ k)						
Captions	Deferred tax June 2015 - Liabilities					
	Beginning balance	Effect in results	Effect in equity	Effect of currency conversion rate	Other adjustments	Ending balance
Adjustments to accruals and deferrals	(53)	-	-	2	-	(51)
Adjustments to tangible and intangible assets	(20,019)	(1,119)	-	(1,700)	-	(22,838)
Adjustments to tangible and intangible assets Fair value	(16,496)	1,802	-	-	-	(14,694)
Adjustments to inventories	(181)	(38)	-	-	-	(219)
Underlifting adjustments	(1,113)	(2,401)	-	(88)	-	(3,602)
Dividends	(39,973)	(746)	-	-	-	(40,719)
Financial instruments	-	-	(621)	-	-	(621)
Regulated revenue	(39,828)	14,147	-	-	-	(25,681)
Accounting revaluations	(2,605)	280	-	-	-	(2,325)
Other	(920)	36	-	(1)	(16)	(901)
	<b>(121,188)</b>	<b>11,961</b>	<b>(621)</b>	<b>(1,787)</b>	<b>(16)</b>	<b>(111,651)</b>

Potential foreign exchange differences from Brazil result from the option to tax potential foreign exchange differences only when they are realised. The amount of €38,611 k reflected in equity includes €27,027 k regarding deferred taxes resulting from currency exchange differences of financial allocations that are similar to quasi equity (Note 20) and €11,584 k regarding non-controlling interests.

#### 10. Earnings per share

Earnings per share for the periods ended 30 June 2015 and 2014 are as follows:

(€ k)		
	June 2015	June 2014
<b><u>Net income</u></b>		
Net income for purposes of calculating earnings per share (consolidated net profit for the period)	90,049	74,780
<b><u>Number of shares</u></b>		
Weighted average number of shares for purposes of calculation earnings per share (Note 19)	829,250,635	829,250,635
<b><u>Basic earnings per share (amounts in Euros):</u></b>	<b>0.11</b>	<b>0.09</b>

As there are no situations that give rise to dilution, the diluted earnings per share are the same as the basic earnings per share.

## 11. Goodwill

The difference between the amounts paid to acquire a stake in Group companies and the fair value of the acquired companies' equity was in 30 June 2015, as follows:

(€ k)									
Subsidiaries	Year of acquisition	Acquisition cost	Equity proportion at the acquisition date		Movements of Goodwill				
			%	Amount	2014	Currency conversion differences (d)	Disposal of subsidiaries (e)	Impairments (f)	2015
<b>Galp Energia España, S.A.</b>									
Galp Comercialización Oil España, S.L.	(a)	2008	176,920	100.00%	129,471	46,266	-	(6,073)	40,193
Petróleos de València, S.A. Sociedad Unipersonal	(a)	2005	13,937	100.00%	6,099	7,759	-	(7,838)	(79)
Galp Distribución Oil España, S.A.U.	(b)	2008	172,822	100.00%	123,611	46,823	-	(35,028)	11,795
					<b>100,848</b>	-	-	<b>(48,939)</b>	<b>51,909</b>
<b>Petróleos de Portugal - Petrogal, S.A.</b>									
Galp Comercialização Portugal, S.A.	(c)	2008	146,000	100.00%	69,027	50,556	-	-	50,556
					<b>50,556</b>	-	-	-	<b>50,556</b>
Galp Swaziland (PTY) Limited		2008	18,117	100.00%	651	18,754	1,596	-	20,350
Madriñeña Suministro de Gas S.L.		2010	43,356	100.00%	12,641	29,766	-	(29,766)	-
Madriñeña Suministro de Gas SUR S.L.		2010	12,523	100.00%	3,573	8,686	-	(8,686)	-
Galpgest - Petrogal Estaciones de Servicio, S.L.U.		2003	6,938	100.00%	1,370	5,568	-	-	5,568
Galp Gambia, Limited		2008	6,447	100.00%	1,693	405	(405)	-	-
Empresa Nacional de Combustíveis - Enacol, S.A.R.L.	2007 e 2008	8,360	15.77%	4,031	4,329	-	-	-	4,329
Galp Moçambique, Lda.	2008	5,943	100.00%	2,978	3,491	297	-	-	3,788
Duriensegás - Soc. Distrib. de Gás Natural do Douro, S.A.	2006	3,094	25.00%	1,454	1,640	-	-	-	1,640
Lusitaniagás - Companhia de Gás do Centro, S.A.	2002/3 e	1,440	1.543%	856	584	-	-	-	584
Gasinsular - Combustíveis do Atlântico, S.A.	2005	50	100.00%	(353)	403	-	-	-	403
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A.	2005	858	67.65%	580	278	-	-	-	278
Beiragás - Companhia de Gás das Beiras, S.A.	2003/6 e 2007	152	0.94%	107	51	-	-	-	51
Galp Sinopec Brazil Services (Cyprus)	2012	3	100.00%	1	2	-	-	-	2
					<b>225,361</b>	<b>1,488</b>	<b>(38,452)</b>	<b>(48,939)</b>	<b>139,458</b>

- (a) The subsidiaries Petróleos de València, S.A. Sociedad Unipersonal and Galp Comercialización Oil España, S.L. were incorporated in Galp Energia España, S.A., through a merger process, during the year ended 31 December 2010.
- (b) The subsidiary Galp Distribución Oil España, S.A.U., was incorporated in Galp Energia España, S.A. through a merger process, during the year ended 31 December de 2011.
- (c) The subsidiary Galp Comercialização Portugal, S.A., was incorporated in Petróleos de Portugal - Petrogal, S.A. through a merger process, during the year ended 31 December 2010.
- (d) The exchange differences arise from the conversion of Goodwill recorded in local companies' currency to Group's reporting currency (euros) at the exchange rate prevailing on the date of the financial statements (Note 20).
- (e) The subsidiary was disposed. See Notes 3 b) and 4.2.
- (f) Amounts calculated as a result of impairment tests (Note 4.2).

### Goodwill Impairment Analysis

The Group registered an impairment in the amount of €6,152 k and €35,028 k on Goodwill of Galp Comercialización Oil España, SL and Galp Distribución Oil España, SAU, respectively, related with the recovery value of the retail business unit in Spain and €7,759 k on the recoverability of Goodwill of Petróleos de Valencia, SA Sociedad Unipersonal in respect of the decline activity and expectation of the concession extension.

## 12. Tangible and Intangible Assets

Composition of tangible and intangible assets on 30 June 2015 and 31 December 2014:

							(€ k)
	June 2015			December 2014			
	Gross Assets	Accumulated Amortisation, Depreciation and Impairment	Net Assets	Gross Assets	Accumulated Amortisation, Depreciation and Impairment	Net Assets	
<b>Tangible assets</b>							
Land and natural resources	277,194	(1,869)	275,325	278,327	(2,005)	276,322	
Buildings and other constructions	920,593	(666,982)	253,611	919,314	(654,368)	264,946	
Machinery and equipment	7,238,402	(4,645,182)	2,593,220	7,102,796	(4,382,246)	2,720,550	
Transport equipment	30,668	(27,414)	3,254	31,060	(27,308)	3,752	
Tools and utensils	4,641	(4,006)	635	4,408	(3,915)	493	
Administrative equipment	175,339	(164,124)	11,215	173,484	(159,688)	13,796	
Reusable containers	160,987	(147,940)	13,047	158,790	(146,060)	12,730	
Other tangible assets	89,352	(79,868)	9,484	89,356	(79,014)	10,342	
Tangible assets in progress	2,061,464	-	2,061,464	1,749,397	-	1,749,397	
Advances to suppliers of tangible assets	1	-	1	28	-	28	
	<b>10,958,641</b>	<b>(5,737,385)</b>	<b>5,221,256</b>	<b>10,506,960</b>	<b>(5,454,604)</b>	<b>5,052,356</b>	
<b>Intangible assets</b>							
Research and development costs	280	(275)	5	280	(271)	9	
Industrial property and other rights	537,949	(291,527)	246,422	561,772	(299,391)	262,381	
Reconversion of consumption to natural gas	551	(435)	116	551	(431)	120	
Goodwill	17,185	(10,205)	6,980	17,185	(10,205)	6,980	
Other intangible Assets	498	(498)	-	498	(498)	-	
Concession Arrangements	1,726,131	(596,270)	1,129,861	1,718,566	(576,566)	1,142,000	
Intangible assets in progress of Concession Arrangements	2,869	-	2,869	3,199	-	3,199	
Intangible assets in progress	31,389	-	31,389	32,217	-	32,217	
	<b>2,316,852</b>	<b>(899,210)</b>	<b>1,417,642</b>	<b>2,334,268</b>	<b>(887,362)</b>	<b>1,446,906</b>	

Tangible and intangible assets are recorded in accordance with the accounting policy defined by the Group which is described in the accompanying notes to the consolidated financial statements on 31 December 2014 (Note 2.3 and Note 2.4). The depreciation/amortisation rates are disclosed in the same note.

The net change of increases and decreases in the caption "Assets gross tangible and intangible assets" for the period ended 30 June 2015 amounts to €139,636k which includes:

	Tangible		Intangible		Total			(€ k)
	Gross Assets	Accumulated Depreciation	Gross Assets	Accumulated Amortisation	Gross Assets	Accumulated Amortisation / Depreciation	Net Assets	
<b>Balance on 1 January 2015</b>	<b>10,506,960</b>	<b>(5,454,604)</b>	<b>2,334,268</b>	<b>(887,362)</b>	<b>12,841,228</b>	<b>(6,341,966)</b>	<b>6,499,262</b>	
Additions	472,190	-	14,457	-	486,647	-	486,647	
Additions by financial costs capitalisation (Note 8)	38,701	-	-	-	38,701	-	38,701	
Write-offs/sales	(65,911)	18,796	(2,028)	1,434	(67,939)	20,230	(47,709)	
Impairment variations	(43,763)	-	(11,154)	-	(54,917)	-	(54,848)	
Adjustments	50,464	(77,015)	3,788	361	54,252	(76,654)	(22,402)	
Amortisations/Depreciations of the period	-	(224,562)	-	(35,287)	-	(259,849)	(259,918)	
Variation of the perimeter (Note 3)	-	-	(22,479)	21,644	(22,479)	21,644	(835)	
<b>Total movements</b>	<b>451,681</b>	<b>(282,781)</b>	<b>(17,416)</b>	<b>(11,848)</b>	<b>434,265</b>	<b>(294,629)</b>	<b>139,636</b>	
<b>Balance on 30 June 2015</b>	<b>10,958,641</b>	<b>(5,737,385)</b>	<b>2,316,852</b>	<b>(899,210)</b>	<b>13,275,493</b>	<b>(6,636,595)</b>	<b>6,638,898</b>	

Depreciation/amortisation for the periods ended 30 June 2015 and 2014 are as follows (Note 6):



	June 2015			June 2014			December 2014		
	Tangible assets	Intangible assets	Total	Tangible assets	Intangible assets	Total	Tangible assets	Intangible assets	Total
Amortisation and depreciation for the period	224,562	14,674	239,236	208,217	16,931	225,148	411,089	32,899	443,988
Amortisation for the period - Concession Arrangements	-	20,613	20,613	-	20,915	20,915	-	42,005	42,005
Impairments	99,202	8,952	108,154	17,185	(375)	16,810	126,146	1,459	127,605
Amortisation, Depreciation and Impairment loss (Note 6)	<u>323,764</u>	<u>44,239</u>	<u>368,003</u>	<u>225,402</u>	<u>37,471</u>	<u>262,873</u>	<u>537,235</u>	<u>76,363</u>	<u>613,598</u>

The net amount of € 835 k in the caption changes in the consolidation perimeter is related with the disposal of Madrileña Suministro de Gas SL and Madrileña Suministro Gas SUR SL, which are classified as available for sale (Note 3b).

#### Main occurrences during the period ended 30 June 2015:

Increases in the amount of € 525,348 k mainly include:

##### i) Exploration & Production segment

- €321,124 k regarding exploration and development investments in blocks in Brazil;
- €76,887 k regarding investments in block 32 in Angola;
- €53,724 k regarding investments in block 14 in Angola ;
- €40,828 k regarding exploration investments in Area 4 in Mozambique;
- €1,836 k regarding exploration investments on Portuguese coast (Peniche); and
- €1,214 k regarding exploration investments on Portuguese coast (Alentejo).

##### ii) Gas & Power segment

- €8,585 k regarding natural gas infrastructure construction (network, plot and other infrastructures) of which the amount of €7,898 k covered by IFRIC 12 (Note 5 and 6).

##### iii) Refining and marketing segment

- €5,954 k regarding industrial investments in Porto and Sines refineries; and
- €7,369 k related with the wholesale business unit and is due mainly to the remodeling of stations and convenience stores, expansion of activities and development of the gas business.

In the period ended 30 June 2015 tangible and intangible assets were sold and disposed of in the net amount of € 47,709 k, of which € 41,116 k refer to the write-off of exploration wells in Brazil and € 5,038 k came as result of the fixed assets update in the period. The latter was primarily due to write-offs related with the retail business, due to the remodeling of service stations and convenience stores, and to the expansion of activities and development of information systems that were, mostly, fully amortised.

In the period ended 30 June 2015, the total net amount of impairment of tangible assets and intangible assets accounted for € 281,875 k. The movement of impairment in the period ending 30 June 2015 was as follows:

	<b>Tangible</b>	<b>Intangible</b>	<b>Total</b>
<b>Beginning balance</b>	230,470	45,766	276,236
Increase	99,202	8,952	108,154
Utilisation	(61,752)	(523)	(62,275)
Adjustments	6,314	2,725	9,039
<b>Ending balance</b>	<b>274,234</b>	<b>56,920</b>	<b>331,154</b>

Tangible and intangible assets in progress (including advances on tangible and intangible assets) in the period ending 30 June 2015 were as follows:

	<b>( € K)</b>		
	<b>Assets in progress</b>	<b>Impairment</b>	<b>Net assets</b>
Exploration in Brazil	1,181,753	(42,089)	1,139,664
Exploration in Angola and Congo	535,589	(27,799)	507,790
Exploration in Mozambique	249,103	(6,999)	242,104
Exploration in Morocco	69,325	(69,325)	-
Exploration in Portugal	62,290	(8,753)	53,537
Exploration in Angola and Guinea	39,773	-	39,773
Exploration in Namibia	38,678	(38,306)	372
Renewal and expansion of the network	31,084	(232)	30,852
Industrial investment relating to refineries	26,445	-	26,445
Floating LNG-Brazil	23,718	-	23,718
Exploration in Blocks 3 and 4 in Uruguay	7,670	(1,717)	5,953
Transportation and logistics	4,638	-	4,638
Research in Timor	2,583	(2,583)	-
Conversion projects of the Sines and Oporto refineries	1,468	-	1,468
Underground storage of natural gas	217	-	217
Production of energy and steam	74	-	74
Other projects	19,118	-	19,118
	<b>2,293,526</b>	<b>(197,803)</b>	<b>2,095,723</b>

### 13. Government Grants

As of 30 June 2015 and 31 December 2014 the amounts to be recognised as government grants are €258,627 k and €266,066 k, respectively (Note 24).

During the periods ended 30 June 2015 and 30 June 2014 the income statement includes the amounts of €7,624 k and €5,097 k, respectively regarding government grants recognition (Note 5).

The amount of € 7,624 k includes €2,646k for the recognition of the subsidy relating to the sale of natural gas underground storage to REN – Armazenagem, SA.

#### 14. Other Receivables

The non-current and current caption "Other receivables" as of 30 June 2015 and of 31 December 2014 was as follows:

(€ k)				
Captions	June 2015		December 2014	
	Current	Non-current	Current	Non-current
State and Other Public Entities:				
ISP - Tax on oil products	2,628	-	3,127	-
Value Added Tax - Reimbursement requested	680	-	240	-
Others	17,171	-	7,944	-
Loans to Sinopec Group	835,492	-	718,904	170,954
Advances to suppliers of fixed assets	92,113	-	85,670	-
Underlifting	49,195	-	22,137	-
Carry State participations interests	22,318	-	18,922	-
Advances to suppliers	18,810	34,044	18,801	34,044
Subsoil Rates	15,269	-	13,437	-
Over cash-call from partner Petrobrás in operated blocks	12,444	2,307	7,427	4,007
Guarantees	11,385	-	11,091	-
Means of payment	10,586	-	32,121	-
Other receivables - associated, related and participated companies	7,937	-	7,506	-
Receivables from Block 14 consortium in Angola (excessive profit-oil receivable)	6,574	-	3,102	-
Personnel	1,712	-	1,972	-
Spanish Bitumen process	385	-	385	-
Loans to clients	75	1,475	73	1,513
Ceding rights contract to use telecommunications infrastructures	62	-	222	-
Loans to associated, jointly controlled related and participated companies	-	28,965	-	28,433
Other receivables	73,262	11,587	66,029	3,417
	<u>1,178,098</u>	<u>78,378</u>	<u>1,019,110</u>	<u>242,368</u>
Accrued income:				
Sales and services rendered not yet invoiced	182,676	-	214,853	-
Adjustment to tariff deviation - "pass through" - ERSE regulation	34,875	-	36,546	-
Adjustment to tariff deviation - Regulated revenue - ERSE regulation	33,603	13,630	30,937	34,495
Financial neutrality - regulation ERSE	12,204	-	17,499	-
Accrued management and structure costs	3,238	-	1,786	-
Accrued interest	1,520	-	3,511	-
Commercial discount on purchases	1,270	-	1,205	-
Sale of finished goods to be invoiced by service stations	946	-	7,420	-
Compensation for the uniform tariff	735	-	1,798	-
Adjustment to tariff deviation - Energy Tariff - Erse Regulation	-	60,371	14,012	45,537
Other	16,811	47	6,195	63
	<u>287,878</u>	<u>74,048</u>	<u>335,762</u>	<u>80,094</u>
Deferred costs:				
Energy sector contribution tax	38,879	119,348	-	-
Prepaid insurance	11,219	-	1,073	-
Catalyser costs	8,724	-	10,130	-
Prepaid rent	2,483	-	2,578	-
Costs relating to service station concession contracts	2,068	28,138	2,757	28,406
Interest and other financial costs	28	-	256	-
Retirement benefits (Note 23)	-	4,371	-	10,635
Other deferred costs	21,970	-	21,925	-
	<u>85,371</u>	<u>151,857</u>	<u>38,719</u>	<u>39,041</u>
	<u>1,551,347</u>	<u>304,283</u>	<u>1,393,591</u>	<u>361,503</u>
Impairment of other receivables	(7,275)	(2,753)	(7,406)	(2,753)
	<u>1,544,072</u>	<u>301,530</u>	<u>1,386,185</u>	<u>358,750</u>

The movements occurred in the caption “Impairments of other receivables” for the period ending 30 June 2015 were as follows:

						( € k )
Caption	Beginning balance	Increase	Decrease	Utilisation	Adjustments	Ending balance
Other receivables	10,159	85	(215)	-	(1)	10,028

The increase and decrease of the caption “Impairment of other receivables” in the net amount of €130 k was recorded in the caption “Provisions and impairments – other receivables” (Note 6).

The caption “Loans granted” includes the amount of €835,492 k (\$934,831,490.56) regarding the outstanding amount of the loan that the group granted to Tip Top Energy, SARL (Sinopec Group) on 28 March 2012, for a period of four years, accounted for as current asset, earns a three-month LIBOR interest rate plus a spread. In the period ended 30 June 2015 the caption “Interest”, relates to interests on loans granted to related companies, in the amount of €2,010 k.

The caption “Subsoil rates” amounting to €52,854 k refer to levies on subsoil occupation already paid to municipalities. According to the natural gas supply concession agreement between the Portuguese Government and the Group companies, and with the Council of Ministers decision No. 98/2008, dated 8 April, companies have the right to pass on to commercialisation entities or to end customers, the full amount of subsoil levies paid to the local authorities in the concession area.

The amount of €49,195 k recorded in “Other receivables – underlifting” represents the amounts receivable by the Group for lifting barrels of crude oil production under quota (underlifting) and is valued at the lower price between the market price at the date of sale and the market price on 30 June 2015.

Caption “carry State participations interests” amounting €22,318 k refers to amounts receivable from State partners during the exploration period. In some instances, during the period of exploration, the Group is responsible for advancing funds, through cash calls, on behalf of host States pro-rata to the amount of their participation.

Caption “Means of payment” amounts to €7,937 k refers to amounts receivable for sales made with Visa/debit cards, which as of 30 June 2015 were pending collection.

The amount of €14,751 k recorded in the caption “Other receivables current and non-current – associated jointly controlled entities, related and participated companies” current and non-current refers to amounts receivable from companies which are not consolidated.

Caption “Guarantees” amounts to €11,385 k included €9,843 k from deliveries on account and trading guarantees to support the transactions and operations in the Spanish and French electricity markets.

The caption “Other receivables non-current” includes €1,249 k receivable from Gestmin, SGPS, S.A., for the purchase of COMG – Comercialização de Gás, S.A. on 3 December 2009 and earns a six-month Euribor interest rate plus a spread of 3.12% per year, and is expected to be received every semester and until 3 December 2016.

The accrued income – sales and services rendered and not invoiced includes natural gas and electricity consumption and other income provided in June and invoiced to customers in July. The most relevant accruals are as follows:

(€ k)			
Company	TOTAL	Natural Gas	Electricity
Galp Gás Natural, S.A.	110,322	110,322	-
Galp Power, S.A.	17,611	4,754	12,857
Galp Energia España, S.A., Unipessoal	12,259	12,212	47
Lusitaniagás Comercialização, S.A.	7,220	7,220	-
Petrogal, S.A.	5,250	-	5,250
Portcogeração, S.A.	5,085	-	5,085
Lisboagás Comercialização, S.A.	4,590	4,590	-
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, SA	2,909	2,909	-
SETGÁS - Sociedade de Distribuição de Gás Natural, SA	1,358	1,358	-
Setgás Comercialização, S.A.	1,133	1,133	-
Dianagás – Sociedade Distribuidora de Gás Natural de Évora, SA	528	528	-
Transgás, S.A.	170	170	-
MEDIGÁS - Sociedade Distribuidora de Gás Natural do Algarve, SA	139	139	-
PAXGÁS – Sociedade Distribuidora de Gás Natural de Beja, SA	52	52	-
Duriensegás – Sociedade Distribuidora de Gás Natural do Douro, SA	29	29	-
Carriço Cogeração, S.A.	16	-	16
	<b>168,671</b>	<b>145,416</b>	<b>23,255</b>

The amount of €946 k in the caption “Sale of finished goods to be invoiced by service stations” relates to sales made up to 30 June 2015 through Galp Frota cards, which will be invoiced in the following months.

Expenses recorded in the caption “Deferred costs” in the amount of €30,206 k, are in respect of advance payments of income related to service station rental contracts which are expensed during the concession period, which ranges between 17 and 32 years.

The balance of other accounts receivable in arrears which have not suffered impairment correspond to claims in which there are payment agreements, are covered by credit insurance or for which there is an expectation of partial or total liquidation.

Galp Energia held collateral guarantees on accounts receivable, namely bank guarantees and security deposits, in the amount of €106,348 k, as of 30 June 2015.

### 15. Trade Receivables

The caption "Trade receivables" as of 30 June 2015 and of 31 December 2014 was as follows:

(€ k)				
Captions	June 2015		December 2014	
	Current	Non-current	Current	Non-current
Trade receivables - current accounts	1,161,545	24,162	1,082,235	24,242
Trade receivables - doubtful accounts	211,558	-	256,194	-
Trade receivables - notes receivable	3,212	-	5,686	-
	<b>1,376,315</b>	<b>24,162</b>	<b>1,344,115</b>	<b>24,242</b>
Impairment of trade receivables	(209,166)	-	(228,828)	-
	<b>1,167,149</b>	<b>24,162</b>	<b>1,115,287</b>	<b>24,242</b>

The balance of non-current clients, amounting to €24,162 k and €24,242 k in the periods ended 30 June 2015 and 31 December 2014, respectively, respects to payment agreements of debts from customers with maturities dates greater than one year.

The changes in the caption "Impairment of trade receivables" as of the period ended 30 June 2015 were as follows:

(€ k)							
Caption	Opening Balance	Increases	Decreases	Utilisation	Adjustments	Consolidation perimeter variation	Ending Balance
Impairment of trade receivables	228,828	15,639	(7,146)	(30)	(82)	(28,043)	209,166

The increase and decrease in the caption "Impairment of trade receivables" in the net amount of €8,493 k was recorded in the caption "Provision and impairment loss on receivables" (Note 6).

The amount of € 28,043k recorded in the caption consolidation perimeter variation is related with the sale of Madrileña Suministro Gas SL and Madrileña Suministro Gas SUR SL (Note 3b).

## 16. Inventories

Inventories as of 30 June 2015 and of 31 December 2014 were as follows:

	(€ k)	
CAPTIONS	June 2015	December 2014
Raw, subsidiary and consumable materials:		
Crude oil	33,581	146,324
Other raw materials	52,964	45,216
Raw material in transit	167,500	179,138
	<b>254,045</b>	<b>370,678</b>
Impairment of raw, subsidiary and consumable materials	(12,665)	(44,466)
	<b>241,380</b>	<b>326,212</b>
Finished and semi-finished products:		
Finished products	139,905	156,997
Semi-finished products	200,903	238,199
Finished products in transit	516	6,394
	<b>341,324</b>	<b>401,590</b>
Impairment of finished and semi-finished products	(1,462)	(40,781)
	<b>339,862</b>	<b>360,809</b>
Work in progress	244	192
	<b>244</b>	<b>192</b>
Merchandise	466,255	551,876
Merchandise in transit	721	359
	<b>466,976</b>	<b>552,235</b>
Impairment of merchandise	(1,441)	(29,074)
	<b>465,535</b>	<b>523,161</b>
	<b>1,047,021</b>	<b>1,210,374</b>

Merchandise as of 30 June 2015, in the amount of € 466,255 k mainly relates to natural gas in pipelines in the amount of € 71,991 k, crude oil products of the subsidiaries Galp Energia España, S.A., Petrogal Moçambique, Lda. and Empresa Nacional de Combustíveis – Enacol, S.A.R.L. in the amounts of € 366,821 k, € 7,430 k and € 6,775 k respectively.

As of 30 June 2015 and of 31 December 2014, the Group's liability to competitors related to strategic reserves, which can only be satisfied by product delivery, amounted to €40,958 k and €48,781 k, respectively (Note 24). This reduction is explained by legislative amendment and the changes introduced by the Entidade Nacional para o Mercado de Combustíveis, E.P.E. (ENMC), which assumed an increase of its responsibilities arising from strategic reserves of other operators, having contracted with Galp Energia Group the figure of "tickets" that allow operators to stock products with the Group.

The subsidiary Petróleos de Portugal – Petrogal, SA has a contract with “Entidade Nacional para o Mercado de Combustíveis, E.P.E.” (ENMC) for the storage and exchange of crude and for the storage of refined products, from the national strategic reserve. The crude oil acquired by ENMC is stored in a non-segregated form in Petrogal's installations, where it must remain so that ENMC can audit it in terms of quantity and quality whenever it so wishes. In accordance with the contract, Petrogal must, when so required by ENMC, exchange the crude sold for finished products, receiving in exchange an amount representing the refining margin as of the date of exchange.

The changes in the caption “Impairment of inventories” in the period ended 30 June 2015 were as follows:

						(€ k)
Captions	Beginning balance	Increases	Decreases	Utilisation	Adjustments	Ending balance
Impairment of raw, subsidiary and consumable materials	44,466	57	(31,836)	(22)	-	12,665
Impairment of finished and semi-finished products	40,781	-	(39,369)	-	50	1,462
Impairment of merchandise	29,074	198	(27,804)	-	(27)	1,441
	114,321	255	(99,009)	(22)	23	15,568

The net decrease in impairment, amounting to € 98,754k was recorded against the caption “Cost of sales- decrease (impairment)” in inventories (Note 6).

## 17. Other Financial Investments

Current and non-current investments as of 30 June 2015 and of 31 December 2014 were as follows:

					(€ k)
Other investments	June 2015		December 2014		
	Current	Non-current	Current	Non-current	
<b>Financial instruments at fair value through profit and loss (Note 27)</b>					
Swaps and Options over Commodities	5,572	271	6,986	405	
Swaps over currency	60	-	3,150	-	
	<b>5,632</b>	<b>271</b>	<b>10,136</b>	<b>405</b>	
<b>Other Financial Assets</b>					
Other	-	22,757	-	20,973	
	-	<b>22,757</b>	-	<b>20,973</b>	
	<b>5,632</b>	<b>23,028</b>	<b>10,136</b>	<b>21,378</b>	

As of 30 June 2015 and 31 December 2014, the financial instruments are recorded at their fair value on those dates (Note 27).



### 18. Cash and cash equivalents

The caption “Cash and cash equivalents” as of 30 June 2015 and 2014 was as follows:

	(€ k)		
Captions	June 2015	December 2014	June 2014
Cash	8,561	6,664	4,904
Current accounts	251,192	111,453	166,961
Term deposits	798	1,419	1,159
Other negotiable securities	54,379	35,020	112,601
Other treasury applications	957,113	989,426	658,395
<b>Cash and cash equivalents in the consolidated statement of financial position</b>	<b>1,272,043</b>	<b>1,143,982</b>	<b>944,020</b>
Other current investments	-	-	340
Bank overdrafts (Note 22)	(102,654)	(120,586)	(153,515)
<b>Cash and cash equivalents in the consolidated statement of cash flow</b>	<b>1,169,389</b>	<b>1,023,396</b>	<b>790,845</b>

The caption “Other negotiable securities” mainly include:

- €51,977 k regarding bank deposit certificates;
- €2,399 k on electricity futures; and

These electricity futures are recorded in this caption due to their high liquidity (Note 27).

The caption “Other treasury applications” includes applications of cash surplus, with maturities under three months, of the following Group companies:

	(€ k)	
Companies	June 2015	December 2014
Galp Energia E&P, B.V.	832,318	940,549
Galp Sinopec Brazil Services B.V.	54,786	7,001
Galp Energia, SGPS, S.A.	23,500	-
Galp Gás Natural, S.A.	21,361	8,389
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.	9,500	-
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	5,500	8,450
Beiragás - Companhia de Gás das Beiras, S.A.	4,900	6,000
Galp Exploração Serviços do Brasil, Lda.	3,076	2,749
Petróleos de Portugal – PETROGAL, S.A. Sucursal en España	1,503	-
Galp Energia Brasil S.A.	344	498
Petrogal Brasil, S.A.	325	-
Petróleos de Portugal - Petrogal, S.A.	-	13,590
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	0	2200
	<b>957,113</b>	<b>989,426</b>

## 19. Share Capital

To the Company's knowledge, the shareholding composition of Galp Energia has not changed significantly during the first half of 2015, maintaining the free float at c.47%.

The shareholding composition as of 30 June 2015 was as follows:

	Nbr. of Shares	% of Capital	% of Voting Rights
Amorim Energia, B.V.	317,934,693	38.34%	46.34%
ENI S.P.A	66,337,592	8.00%	8.00%
Parública – Participações Públicas, SGPS, S.A.	58,079,514	7.00%	7.00%
Free-float	386,898,836	46.66%	46.66%
<b>Total</b>	<b>829,250,635</b>	<b>100.00%</b>	<b>-</b>

## 20. Reserves

As of 30 June 2015 and 31 December 2014, the caption "Conversion reserve and other reserves" is detailed as follows:

	(€ k)	
Captions	June 2015	December 2014
<b><u>Translation reserves:</u></b>		
Reserves - "quasi equity"	(273,480)	(193,989)
Reserves - Tax on "quasi equity" (Note 9)	104,702	77,675
	(168,778)	(116,314)
Reserves - Conversion of financial statements	306,729	131,765
Reserves - Goodwill rate update (Note 11)	3,706	2,218
	141,657	17,669
<b><u>Hedging reserves:</u></b>		
Reserves - financial derivatives	2,203	(744)
Reserves - Deferred tax on financial derivatives (Note 9)	(672)	-
	1,531	(744)
<b><u>Other reserves:</u></b>		
Legal reserve	165,850	165,850
Reserves freely distributable	27,977	27,977
Special reserves	(443)	(443)
Reserves - Capital increase in subsidiaries Petrogal Brazil, S.A. and Galp Sinopec Brazil Services B.V.	2,493,088	2,493,088
Reserves - Increase of 10.7532% in 2012 and of 0.3438% in 2013 of stake in the share capital of subsidiary Lusitaniagás - Companhia de Gas do Centro, S.A.	(2,027)	(2,027)
Reserves - Increase of 99% of stake in the share capital of subsidiary Enerfuel, S.A.	(31)	(31)
	2,684,414	2,684,414
	<b>2,827,602</b>	<b>2,701,339</b>

**Translation reserve:**

The change occurred in the caption translation reserve, is as follows:

- i) €306,729 k regarding positive exchange rate differences resulting from the translation of the financial statements in foreign currency to Euro;
- ii) €273,480 k regarding negative exchange rate differences on the quasi-equity of Galp Exploração e Produção Petrolífera, S.A., Petróleos de Portugal - Petrogal, S.A., Galp Sinopec Brazil Services B.V., Petrogal Brazil, B.V. and Winland International Petroleum, SARL (W.I.P.) have provided to Petrogal Brasil, S.A. (a Brazilian Real denominated company), in Euros and US Dollars, which are not remunerated and for which there is no intention of reimbursement, and as such similar to share capital ("quasi capital"), thus integrating the net investment in that foreign operational unit in accordance with IAS 21.
- iii) €3,706 k regarding positive exchange rate differences resulting from Goodwill exchange rate update.

**Hedging reserves:**

Hedging reserves reflect changes that have occurred in financial derivatives on interest rates that are contracted for hedging changes in interest rate loans (cash flow hedge) and their respective deferred taxes.

In the year ended 30 June 2015, the amount of € 1,531 k includes € 2,203 k that is the amount referring to the positive changes in fair value of financial derivatives - cash flow hedges and € 672 k related to the impact of deferred tax liability related changes.

**Other reserves:**

**Legal Reserves**

In accordance with the CSC, the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may in certain circumstances be used to increase capital or to absorb losses after all the other reserves have been utilised. In 2014 the caption did not change as the legal reserves have already achieved 20% of share capital.

Special reserves

The amount of €443 k in the caption “Special reserves” includes €463 k relating to a deferred tax correction – revaluation of equity in the subsidiary LisboaGás GDL – Sociedade Distribuidora de Gás Natural de Lisboa, S.A. and the negative amount of €20 k relating to a donation to the subsidiary Gasinsular – Combustíveis do Atlântico, S.A.

Reserves – capital increases in Petrogal Brasil, S.A. and Galp Brasil Services, B.V.

On 28 March 2012 Winland International Petroleum SARL (WIP), a subsidiary of Tip Top Energy, SARL (Sinopec Group), subscribed a capital increase in the amount of \$4,797,528,044.74 in subsidiaries Petrogal Brasil, S.A. and Galp Sinopec Brazil Services, B.V., obtaining 30% of the shares and voting rights of both subsidiaries.

With the operation, the Galp Energia Group kept the operational and financial control of the Companies, which now owns 70% of the capital and voting rights, continuing, under IAS 27 to consolidate their assets by the full consolidation method. Thus the difference between the amount realised from the capital increase and the book value of equity at the date of the increase was recognised in equity under reserves by €2,493,088 k.

Reserves - increase of 11.097% stake in the capital of subsidiary Lusitaniagás - Companhia de Gás do Centro, S.A

In July 2012, the Group acquired 10.7532% stake in the subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A., which was previously controlled by the Group and consolidated using the full consolidation method. Thus the difference between the amount paid and the book value of the equity at the acquisition date, was recognised in equity under reserves by €1,935 k.

In May 2013, the Group acquired 0.3438% stake in the subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A. to Revigrés – Indústria de Revestimentos de Grés, Lda. and recognised in equity reserves in the amount of €92 k due to the difference between the amount paid and the book value.

Reserves – increase of 99% in the capital of subsidiary Enerfuel, S.A

In July 2013, under the terms of a contract signed in August 2012, the Group acquired 99% of the capital of Enerfuel, S.A. However, as it was previously controlled by the Group, it was already consolidated using the full consolidation method. Thus the difference between the amount paid and the book value of equity at the acquisition date, was recognised in equity under reserves by the amount €31 k.

## 21. Non-Controlling Interests

The equity caption “Non-controlling interests” as of 30 June 2015 and of 31 December 2014 refers to the following subsidiaries:

	(€ k)						
	Balance at December 2014	Assigned Dividends (b)	Prior year results	Translation reserves	Retained earnings, actuarial gains and losses	Net result for the period	Balance at June 2015
Galp Sinopec Brazil Services B.V.	1,127,303	-	-	95,894	-	7,150	1,230,347
Petrogal Brasil, S.A.	225,790	-	-	(43,136)	-	4,091	186,745
Setgás - Sociedade de Produção e Distribuição de Gás, S.A.	23,804	-	-	-	(3)	1,274	25,075
Empresa Nacional de Combustíveis - Enacol, S.A.R.L	20,247	(608)	-	-	-	(827)	18,812
Beiragás - Companhia de Gás das Beiras, S.A.	15,653	-	(1)	-	-	817	16,469
Petromar - Sociedade de Abastecimentos de Combustíveis, Lda.	2,622	-	(457)	-	-	314	2,479
Lusitaniagás - Companhia de Gás do Centro, S.A.	1,771	-	-	-	-	125	1,896
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	1,180	(297)	-	-	-	157	1,040
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A.	1,100	(219)	(4)	-	(4)	123	996
Setgás Comercialização, S.A.	999	-	-	-	-	(97)	902
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	643	(493)	-	-	-	341	491
Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S.A.	(a) (709)	-	-	-	-	(1,395)	(2,104)
Petrogás Guiné Bissau - Importação, Armazenagem e Distribuição de Gás, Lda.	(a) (219)	-	-	-	-	(11)	(230)
	<b>1,420,184</b>	<b>(1,617)</b>	<b>(462)</b>	<b>52,758</b>	<b>-7</b>	<b>12,062</b>	<b>1,482,918</b>

a) On 30 June 2015, the subsidiary has negative equity. Thus, the Group only recognised accumulated losses in proportion to the capital in that subsidiary, which is why the minority interests' balance is debtor.

b) The assigned dividends in the amount of € 1,617 k, were paid in the period ended 30 June 2015 (Note 30).

## 22. Loans

Loans obtained as of 30 June 2015 and 31 December 2014 were as follows:

(€ k)				
	June 2015		December 2014	
	Current	Non-current	Current	Non-current
Bank loans:				
Loans	247,571	1,002,751	182,845	1,116,991
Bank overdrafts (Note 18)	102,654	-	120,586	-
Discounted Notes	2,536	-	3,668	-
	<b>352,761</b>	<b>1,002,751</b>	<b>307,099</b>	<b>1,116,991</b>
<i>Origination Fees</i>	(4,686)	(1,004)	(3,856)	(3,590)
	<b>348,075</b>	<b>1,001,747</b>	<b>303,243</b>	<b>1,113,401</b>
Other loans obtained:				
IAPMEI/SIDER	2	384	2	177
	<b>2</b>	<b>384</b>	<b>2</b>	<b>177</b>
	<b>348,077</b>	<b>1,002,131</b>	<b>303,245</b>	<b>1,113,578</b>
Bonds and Notes				
Bonds	300,000	970,000	-	1,270,000
Notes	-	1,000,000	-	1,000,000
	<b>300,000</b>	<b>1,970,000</b>	<b>-</b>	<b>2,270,000</b>
<i>Origination Fees</i>	(3,276)	(16,021)	-	(22,459)
	<b>296,724</b>	<b>1,953,979</b>	<b>-</b>	<b>2,247,541</b>
	<b>644,801</b>	<b>2,956,110</b>	<b>303,245</b>	<b>3,361,119</b>

The current and non-current loans, excluding origination fees, bank overdrafts and discounted notes, as of 30 June 2015 had the following repayment plan:

(€ k)			
Maturity date	Loans		
	Total	Current	Non-current
2015	139,233	139,233	-
2016	460,509	408,340	52,169
2017	508,433	-	508,433
2018	640,056	-	640,056
2019	709,479	-	709,479
2020	457,047	-	457,047
2021	535,049	-	535,049
2022 and subsequent years	70,902	-	70,902
	<b>3,520,708</b>	<b>547,573</b>	<b>2,973,135</b>

Domestic and foreign loans as of 30 June 2015 and 31 December 2014 are expressed in the following currencies:

Currency		June 2015		December 2014	
		Initial total amount	Amount outstanding (€k)	Initial total amount	Amount outstanding (€k)
US Dollars	USD	126,000	112,611	326,000	268,512
Cape Verde Escudos	CVE	259,733	2,356	307,939	2,793
Euros	EUR	3,661,787	3,405,355	3,519,888	3,296,143
Mozambican Meticaís	MZM	-	-	96,369	2,388
			<b>3,520,322</b>		<b>3,569,836</b>

The average interest rates on loans and overdrafts incurred by the Group, in the first semester of 2015, was 3.96%.

### Description of the main loans

#### Commercial paper issuance

As at 30 June 2015, the Group has contracted underwritten commercial paper programmes amounting to €965,000 k, which are split into €290,000 k medium and long-term and €675,000 k short term. Of these amounts the Group used €290,000 k at medium and long-term loans and €100,000 k at short term.

These instruments bear interests at a Euribor rate for the respective period of issuance, plus variable spreads defined in the contractual terms of the commercial paper programmes underwritten by the Group. The interest rates refer to the amount of each issuance and remain unchanged during the respective period of the issue.

#### Bank Loans

Detail of the main bank loans as of 30 June 2015:

(€ k)				
Entity	Outstanding amount	Interest rate	Maturity date	Reimbursement
Banco Itaú	112,611	Libor 6M + spread	April 17	50% @ April 16 50% @ April 17
UniCredit Bank Austria	150,000	Euribor 6M + spread	April 20	April 20

Additionally, the Group accounted for in medium and long term the amount of €37,750 k, related with the loans obtained by: Agroger- Sociedade de Cogeração do Oeste S.A., Beiragás – Companhia de Gás das Beiras, S.A., and CLCM – Companhia Logística de Combustíveis da Madeira, S.A.

Detail of the loans obtained from the European Investment Bank (EIB) as of 30 June 2015:

(€ k)

Entity	Amount due	Interest rate	Maturity	Reimbursement
EIB (Oporto cogeneration)	50,000	Fixed rate	October '17	October '17
EIB (Installment A - Sines cogeneration)	24,141	Fixed rate	September '21	Semi-annual installments beginning in March '10
EIB (Installment B - Sines cogeneration)	12,510	Euribor 6M + Spread	March '22	Semi-annual installments beginning in September '10
EIB (Installment A - refinery conversion)	249,000	Revisable fixed rate	February '25	Semi-annual installments beginning in August '12
EIB (Installment B - refinery conversion)	166,000	Fixed rate	February '25	Semi-annual installments beginning in August '12

Additionally, the Group recorded the amount of € 49,291k related with other loans obtained from the EIB.

Loans contracted with the EIB, with the purpose of financing the cogeneration projects in the Sines and Porto refineries and tranche A for the upgrade of the Sines and Porto refineries were granted with Petrogal, S.A. corporate guaranties.

The remaining loan with the EIB, in the amount of € 215,291k, was granted with guarantees provided by a bank syndicate.

#### Bonds

Detailed information for each bond as of 30 June 2015:

(€ k)

Issue	Amount in due	Interest rate	Maturity	Reimbursement
GALP ENERGIA/2013-€600 M. FRN-2017	600,000	Euribor 6M + spread	May '17	50% @ May 16 50% @ May 17
GALP ENERGIA/2012-FRN-2018	260,000	Euribor 3M + spread	February '18	February '18
GALP ENERGIA/2013 - 2018	110,000	Euribor 3M + Spread	March '18	March '18
GALP ENERGIA/2013- €200 M. - 2018	200,000	Euribor 6M + spread	April '18	April '18
GALP ENERGIA/2012-2020	100,000	Euribor 6M + spread	June '20	June '20

#### Notes Issue

Galp Energia has established, as part of its financing plan, a Euro Medium Term Note Programme (€5,000,000,000 EMTN)

Under the EMTN Programme, on 15 November 2013, Galp Energia carried its first issuance of notes amounting to €500,000 k, due on 25 January 2019 and a coupon of 4.125%, which are listed on the London Stock Exchange.

On 7 July 2014, under the EMTN Programme, Galp Energia issued notes in the amount of €500,000 k, due on 14 January 2021 with a coupon of 3%, which are listed at the London Stock Exchange.



### 23. Retirement and other employee benefits

On 30 June 2015 and 31 December 2014, the assets of the Petrogal Pension Fund, the Sacor Pension Fund and GDP Pension Fund, valued at fair value, were as follows according to the reports submitted by the pension fund companies:

	(€ k)	
	June 2015	December 2014
Bonds	212,520	218,366
Shares	66,957	65,531
Other Investments	10,784	11,304
Real Estate	32,744	32,678
Liquidity	6,097	7,071
	<b>329,102</b>	<b>334,950</b>

On 30 June 2015 and 31 December 2014, the Group had the following amounts related to liabilities for retirement benefits and other benefits:

	(€ k)					
	June 2015			December 2014		
Captions	Assets (Note 14)	Liabilities	Equity	Assets (Note 14)	Liabilities	Equity
Retirement benefits:						
Relating to the Pension Fund	4,371	(1,922)	33,245	10,635	(1,276)	26,742
Retired Employees	-	(3,364)	1,646	-	(3,565)	1,614
Pre-retirement	-	(72,000)	9,681	-	(72,930)	9,239
Early retirement	-	(75,761)	4,018	-	(75,473)	3,042
Retirement bonus	-	(7,321)	(11)	-	(6,974)	(168)
Voluntary social insurance	-	(2,468)	3,488	-	(2,600)	3,473
Other	-	(392)	(108)	-	(384)	(122)
	<b>4,371</b>	<b>(163,228)</b>	<b>51,959</b>	<b>10,635</b>	<b>(163,202)</b>	<b>43,820</b>
Other benefits:						
Healthcare	-	(246,883)	90,545	-	(236,627)	80,348
Life insurance	-	(2,953)	(143)	-	(2,919)	(204)
Defined contribution plan minimum benefit	-	(8,795)	(26)	-	(7,843)	(148)
	<b>-</b>	<b>(258,631)</b>	<b>90,376</b>	<b>-</b>	<b>(247,389)</b>	<b>79,996</b>
	<b>4,371</b>	<b>(421,859)</b>	<b>142,335</b>	<b>10,635</b>	<b>(410,591)</b>	<b>123,816</b>

The changes in equity for the period ended 30 June 2015 was as follows:

	(€ k)		
	December 2014	Gains/Losses	June 2015
Actuarial gains and losses - Pension Fund	123,816	18,519	142,335
Tax related to the component gains and losses - pension fund	(24,246)	(2,974)	(27,220)
Retained earnings - Earnings and Pension-Fund actuarial losses	<b>99,570</b>	<b>15,545</b>	<b>115,115</b>

For further information refer to the Group's consolidated financial statements at 31 December 2014 and its annex.

## 24. Other Payables

The caption "Non-current and current other payables" as of 30 June 2015 and 31 December 2014 are as follows:

(€ k)				
Captions	June 2015		December 2014	
	Current	Non-current	Current	Non-current
State and other public entities:				
Value Added Tax payables	207,239	-	223,530	-
Tax on oil products	88,369	-	83,994	-
Personnel and Corporate Income Tax Withheld	8,776	-	9,127	-
Social Security contributions	8,587	-	6,672	-
Other taxes	26,173	-	22,213	-
Suppliers - tangible and intangible assets	127,744	91,369	114,001	94,728
Advances on sales (Note 16)	40,958	-	48,781	-
Overlifting	27,188	-	29,714	-
Personnel	4,965	-	7,017	-
Trade receivables credit balances	2,806	-	2,798	-
Guarantee deposits and guarantees received	2,198	-	6,529	-
ISP - Congeners debit	2,082	-	10,324	-
Other payables - Associated, participated and related companies	1,721	-	477	-
Other payables - Other shareholders	1,610	121	22,636	-
Trade receivables advances	924	-	1,235	-
Loans - Associated, participated and related companies (Note 28)	365	168,177	365	154,990
Loans - Other shareholders	-	10,591	-	12,446
Other creditors	48,027	4,016	37,480	4,570
	<b>599,732</b>	<b>274,274</b>	<b>626,893</b>	<b>266,734</b>
Accrued costs:				
External supplies and services	102,533	-	108,265	-
Accrued interest	32,521	-	46,077	-
Vacation pay, vacation subsidy and corresponding personnel costs	24,092	-	29,701	-
Adjustment to tariff deviation - Other activities - ERSE regulation	19,221	-	18,346	-
Accrued insurance premiums	14,082	-	1,673	-
Productivity bonus	9,675	6,178	18,605	6,770
Adjustment to tariff deviation - Regulated revenue - ERSE regulation	6,094	21,914	10,255	9,546
Interest on overdrafts	4,083	-	4,059	-
Fastgalp prizes	3,322	-	7,377	-
Financial costs	941	-	933	-
Financial neutrality - ERSE regulation	322	-	462	-
Accrued personnel costs - other	65	-	106	-
Adjustment to tariff deviation - Energy tariff - ERSE regulation	-	15,831	-	15,831
Other accrued costs	26,015	-	21,642	-
	<b>242,966</b>	<b>43,923</b>	<b>267,501</b>	<b>32,147</b>
Deferred income:				
Services rendered	23,293	-	4,964	-
Government investment grants (Note 13)	10,625	248,002	10,694	255,372
Fibre optics	404	1,193	272	1,527
Other	11,050	55	10,735	60
	<b>45,372</b>	<b>249,250</b>	<b>26,665</b>	<b>256,959</b>
	<b>888,070</b>	<b>567,447</b>	<b>921,059</b>	<b>555,840</b>

The caption “Advances on sales” includes the amount of €40,958 k in respect of liabilities for strategic reserves for Group competitors (Note 16).

The caption “Suppliers – non-current tangible and non-tangible assets” refers essentially to the surface rights.

The amount of €27,188 k in caption “Overlifting” represents the Group’s liability in respect of excess crude oil lifted considering its production quota and is measured as described in Note 2.7 e) of the accompanying notes to the consolidated financial statements of the Group as of 31 December 2014.

The amount of €2,806 k recorded in the caption “Guarantee deposits and guarantees received” includes €2,142 k relating to Petrogal’s liability as of 30 June 2015 for customer deposits received for gas containers in use that were recorded at acquisition cost, which is, approximately, their fair value.

The amount of €168,177 k recorded in the caption “Loans – associated, participated and related companies” concerns:

- In March 2012, Winland International Petroleum, SARL, granted loans in the amount of €168,177 k (\$188,173,000). This amount is recorded in the caption “Loans – other shareholders (non-current)” and is related to loans obtained by the subsidiary Petrogal Brasil, S.A.. This loan bears interest at market rates and has a maturity of 10 years. In the period ended 30 June 2015 the amount of €3,862 k regarding loans obtained concerning related companies is recognised under the caption “Interest”.

The amount of €10,591 k in the caption “Loans – other shareholders” mainly relates to:

- €8,938 k recorded in non-current payable to Enagás, SGPS, S.A. for loans obtained by subsidiary Setgás – Sociedade de Distribuição de Gás Natural, S.A., which bear interest at market rates and does not have a fixed maturity;
- €1,205 k recorded as non-current payable to EDP Cogeração, S.A. related to shareholders loans obtained by the subsidiary Carriço Cogeração Sociedade de Geração de Electricidade e Calor, S.A., which bear interests at market rates and do not have a defined reimbursement plan; and
- €448 k recorded as non-current payable to Visabeira Telecomunicações, SGPS, S.A., relates to shareholder loans obtained by the subsidiary Beiragás – Companhia de Gás das Beiras, S.A., which bears interest at market rates and does not have a defined reimbursement plan.

The amount of €3,322 k recorded under accrued costs – Fast Galp prizes is Petrogal’s liability for Fast Galp card points issued but not yet claimed until 30 June 2015, which are expected to be exchanged for prizes in subsequent periods.

Government investment grants are to be recognised as income over the useful life of the assets. The amount to be recognised in future periods amounts to €258,627 k (Note 13).

Income from the contract of assignment of rights to use telecommunication infrastructures is recorded in caption “Deferred income – fiber optics” and is recognised in earnings during the period of the contract. The balance of deferred income on 30 June 2015, to be recognised in future period amounts to €1,597 k.

## 25. Provisions

The changes in provisions in the period ended 30 June 2015 were as follows:

							(€ k)
Captions	Beginning balance	Increases	Decreases	Utilisation	Adjustments	Variation of the Perimetre	Ending balance
Lawsuits	11,252	20,368	(898)	(5,192)	(579)	-	24,951
Investments (Note 4)	3,954	296	-	-	(239)	-	4,011
Taxes	21,238	5,108	-	-	841	-	27,187
Environment	2,021	-	-	(162)	-	-	1,859
Abandonment Costs	111,360	4,090	-	(3,949)	8,961	-	120,462
Other risks and charges	34,715	185,786	(311)	(51)	(65)	(60)	220,014
	184,540	215,648	(1,209)	(9,354)	8,919	(60)	398,484

The increase in provisions, net of the decreases, was recorded as follows:

	(€ k)
Provisions (Note 6)	6,969
Capitalization of provision costs for abandonment blocks	4,090
Estimate for additional payments of IRP - Oil income tax (Angola) (Note 9)	5,108
Results in investments in associates and jointly controlled entities (Note 4)	296
Estimate for additional payments of special participation tax in Brazil (Note 9)	12,592
Energy sector contribution tax - CESE I	14,596
Deferred costs - CESE I	14,632
Energy sector contribution tax - CESE II	12,561
Deferred costs - CESE II	143,595
	<u>214,439</u>

### Lawsuits

The provision for current lawsuits increased to the amount of € 24,951 k and includes mainly: the amount of € 6,503 k relating to a liability for fines imposed by the Competition Authority relating to contracts with distributors in the LPG area and the amount of € 12,592 k related to the provision of the estimate for payment of additional amount of the special participation tax in Brazil accounted for in the period ended 30 June 2015. The utilisation corresponds essentially to the agreement with Matosinhos Municipality in respect of soil occupancy rates of Parque do Real.

### Financial Investments

The provision for investments reflects the statutory commitment of the Group to its associates that present negative equity as detailed in Note 4.

### Taxes

The caption "Tax provisions", in the amount of €27,187 k includes mainly:

- i) €15,998 k of additional liquidations of Petroleum Income Tax (IRP) (Note 9);

- ii) €7,394 k concerning a tax contingency, related with corrections to 2001 and 2002 corporate income tax of the subsidiary – Petrogal (Note 9); and
- iii) €3,377 k concerning the tax risk associated with the sale of the interests in ONI, SGPS, to Galp Energia, SGPS, S.A.

#### Environmental

The amount of €1,859 k in the caption “Environmental provisions” aims to sustain the costs related with legally mandatory soil decontamination of some facilities occupied by the Group, where by legal enforcement there is decision for decontamination.

#### Abandonment of blocks

The amount of €120,462 k recorded in provisions for the abandonment of blocks is essentially to cover all costs to be incurred with the dismantling of assets and soil decontamination at the end of the useful life of those areas. The changes in provisions for the abandonment of blocks in the period ended was as follows:

	Beginning balance	Increases	NPV Interest increases	Utilisation	Exchange differences (Cta's) (a)	Exchange differences (P/L) (b)	Ending balance
Blocks in Brazil							
- Lula e Gaspeline	22,131	-	330	-	(1,589)	3,160	24,032
- Andorinha	803	-	11	-	(58)	-	756
- Rabo Branco	245	-	4	-	(18)	41	272
- Iracema	4,160	2,401	63	-	(299)	575	6,900
	<u>27,339</u>	<u>2,401</u>	<u>408</u>	<u>-</u>	<u>(1,964)</u>	<u>3,776</u>	<u>31,960</u>
Blocks in Angola							
- Block 1	1,084	-	-	-	-	92	1,176
- Block 14 - Kuito	16,256	-	263	-	1,383	-	17,902
- Block 14 - BBLT	25,166	-	348	(3,949)	2,141	-	23,706
- Block 14 - TL	41,515	-	671	-	3,532	-	45,718
	<u>84,021</u>	<u>-</u>	<u>1,282</u>	<u>(3,949)</u>	<u>7,056</u>	<u>92</u>	<u>88,502</u>
Total	<u>111,360</u>	<u>2,401</u>	<u>1,690</u>	<u>(3,949)</u>	<u>5,092</u>	<u>3,868</u>	<u>120,462</u>

(a) Exchange differences resulting from conversion of the functional currency for the Group's currency (Eur) is recorded in equity in foreign exchange reserves (Cta's)

(b) The provision is recorded in USD, the currency valuation for the functional currency of the company is recorded in the income statement(P/L) under the heading Gains / currency losses.

#### Other risks and charges

On 30 June 2015 the caption “Provisions – other risks and charges”, amounting to €220,014 k, mainly comprises:

- i) €4,561 k concerning processes related to sanctions applied by customs authorities due to the late submission of the customs destination declaration of some shipments received in Sines;
- ii) €53,724 k relating to the provision to cover the extraordinary contribution of the energy sector "CESE I”:

For the year ended 31 December 2014, the Group was subject to a special tax (Extraordinary Contribution to the Energy Sector "CESE I"), pursuant to Article 228 of law 83C / 31 December 2013, which states that the energy companies with assets as at 1 January 2014 in certain activities are subject to a tax on the amount of net assets at that date.

The Group is challenging the law, but decided to record the total value of the liability in the amount of € 53,724 k under provisions caption. The total value of the liability on 31 December 2014 amounted to € 24,512 k. In the period ended 30 June 2015, to cover the full responsibility, the provision was reinforced in the amount of € 29,228 k. The amount of € 14,596 k was accounted for in the income statement on the caption energy sector contribution tax (Note 9) and the amount of € 14,632 k was recorded in Other receivables - Current deferred costs (Note 14).

iii) €156,156 k relating to the provision to cover the extraordinary contribution of the energy sector "CESE II":

In the period ended 30 June 2015, the Group was subject to a special tax (Extraordinary Contribution to the Energy Sector "CESE II"), pursuant to law 33/2015 of 27 April and Order No. 157 -B / 28 May 2015, which focuses on the value of future sales, based on the four existing contracts which are on a take-or-pay basis. Resulting from the law, Galp recorded a total amount payable of € 156,156 k, which would be due in installments of € 52,052k in May of 2015, 2016 and 2017 respectively.

The Group is challenging the law, but accounted for the total value of the liability in the amount of € 156,156 k as a liability. The cost will be recognised along the useful life of the contracts. The deferred costs are recognised in Other receivables heading. In the period ended 30 June 2015, the Group recognised in the income statement as extraordinary energy sector contribution the amount of € 12,561 k (Note 9) and in the captions Other receivables - Current deferred costs and non-current the amounts of respectively € 24,247 k and € 119,348 k (Note 14).

The amount of € 60k in the perimeter variation caption is related with the sale agreement of Madrileña Suministro Gas SL (Note 3b).

## 26. Trade Payables

As of 30 June 2015 and of 31 December 2014 the amounts recorded in the caption "Suppliers" were as follows:

	(€ k)	
Captions	June 2015	December 2014
Trade payables - current accounts	383,356	326,179
Trade payables - invoices pending	536,420	571,868
	<b>919,776</b>	<b>898,047</b>

The balance of the caption "Trade payables – invoices pending" mainly corresponds to the purchase of crude oil raw material, natural gas and goods in transit.

## 27. Other financial instruments - Derivatives

The Group uses financial derivatives to hedge interest rate and namely risks of variation in refining margins, as well as risks of variation in natural gas and electricity prices, which affect the amount of assets and future cash flows resulting from its operations.

Financial derivatives are defined, in accordance with IAS/IFRS, as "financial assets at fair value through profit and loss" or "financial liabilities at fair value through profit and loss". The interest rate financial derivatives that are contracted to hedge the variation in interest rates on borrowings and derivatives on commodities fixing the price of this commodity are designated as "cash flow hedges". Commodities financial derivatives that are contracted to

hedge changes of fair value or other risks that might affect the profit and loss of customer contracts are designated as "fair value hedges".

The fair value of financial derivatives was determined by financial entities, applying generally accepted techniques and evaluation models (such as "discounted cash flows", Black-scholes Model, Binomial and Trinomial models and Monte-Carlo simulations, among other models depending on the type and characteristics of the financial derivative under analysis) based on generally accepted principles.

In accordance with IFRS 13 an entity must classify the fair value measurement, in a hierarchy that reflects the meaning of the inputs used measurement. The fair value hierarchy must have the following levels:

- Level 1 - the fair value of assets or liabilities is based on quoted market net assets at the date of the Demonstration of financial position;
- Level 2 - the fair value of assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 - the fair value of assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

The fair value of financial derivatives (Swaps, Forwards and Cross currency rate) was determined by financial entities using observable market inputs and using generally accepted techniques and models (Level 2). Futures are traded in the market and subject to a Clearing House, and as such their valuation is determined by quoted prices (Level 1).

Derivative financial instruments showed the following evolution as of 30 June 2015 and 31 December 2014:

	Fair value at 30 June 2015				Fair value at 31 December 2014			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
<b>Interest rate Financial Derivatives</b>								
Swaps	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Commodities Financial Derivatives</b>								
Swaps	5,572	271	(35,133)	(581)	6,977	405	(14,513)	(838)
Options	-	-	(53)	-	9	-	(111)	-
Futures	2,399	-	-	-	7,156	-	(139)	-
	<b>7,971</b>	<b>271</b>	<b>(35,186)</b>	<b>(581)</b>	<b>14,142</b>	<b>405</b>	<b>(14,763)</b>	<b>(838)</b>
<b>Currency Financial derivatives</b>								
Non-deliverable Forwards	-	-	(690)	-	218	-	-	-
Forwards	60	-	(8)	-	-	-	(521)	-
Currency Interest Rate Swaps	-	-	-	-	2,933	-	-	-
	<b>60</b>	<b>-</b>	<b>(698)</b>	<b>-</b>	<b>3,151</b>	<b>-</b>	<b>(521)</b>	<b>-</b>
	<b>8,031</b>	<b>271</b>	<b>(35,884)</b>	<b>(581)</b>	<b>17,293</b>	<b>405</b>	<b>(15,284)</b>	<b>(838)</b>

The accounting impact at 30 June 2015 and 2014 in the income statement is presented in the following table:

	30 June 2015				31 June 2014				(€ k)
	Income Statement		Equity		Income Statement		Equity		
	Potencial (MTM)	Real	MTM+Real	Potencial (MTM)	Potencial (MTM)	Real	MTM+Real	Potencial (MTM)	
<b>Interest rate Financial Derivatives</b>									
Swaps	-	-	-	-	-	(1,417)	(1,417)	1,241	
	-	-	-	-	-	(1,417)	(1,417)	1,241	
<b>Commodities Financial Derivatives</b>									
Swaps	(24,907)	(43,667)	(68,574)	-	11,944	3,285	15,230	-	
Options	49	-	49	-	34	-	34	-	
Futures	(733)	10,143	9,410	2,760	1,690	(13,349)	(11,659)	-	
	(25,591)	(33,524)	(59,115)	2,760	13,668	(10,063)	3,605	-	
<b>Currency Financial derivatives</b>									
Non-deliverable Forwards	(907)	186	(721)	-	(733)	-	(734)	-	
Forwards	573	2,692	3,265	-	(88)	352	264	-	
Currency Interest Rate Swaps	(3,191)	20,516	17,325	-	8,906	8,947	17,853	-	
	(3,525)	23,394	19,869	-	8,085	9,299	17,384	-	
	(29,116)	(10,130)	(39,246)	2,760	21,753	(2,181)	19,572	1,241	

**Nota:**

MTM -variation of the Mark -to-Market since January to the reporting date

Real - value of closed positions .

The potential value of MTM ( Mark-to-Market ) recognised in Income on Financial Instruments includes the potential value of the interest of currency interest rate swaps financial derivatives and commodities derivatives, amounting to a loss of € 22,008 k, as shown in the following table:

	(€ k)
	June 2015
<b>Income on Financial Instruments</b>	
<b>Commodities Financial Derivatives</b>	
Swaps	(24,907)
Options	49
Futures	(733)
<b>Currency Financial derivatives</b>	
Currency Interest Rate Swaps (Interest)	50
<b>Other trading operations</b>	3,533
	(22,008)

\* Interest component amounting to €50 k included in the negative reversal of the MTM derivative foreign exchange amounting to € 3,191 k. The negative difference in the amount of €3,241 k for the variation of MTM is reflected in exchange rate differences.

The real value of financial derivatives recognised in the cost of sales amounts to negative € 33,524 k comprising commodities financial derivatives.



The changes in fair value reflected in Equity, resulting from cash flow hedges, are as follows:

	(€ k)	
<b>Fair Value Change in Equity</b>	<b>June 2015</b>	<b>December 2014</b>
Subsidiaries	2,760	1,241
Non-controlling Interests	-	-
	<b>2,760</b>	<b>1,241</b>
Associates	187	(283)
	<b>2,947</b>	<b>958</b>

Financial Derivatives have the following nominal values:

		(€ k)	
		<b>30 June 2015</b>	
		<b>Maturity</b>	
		<b>&lt; 1 Year</b>	<b>&gt; 1 year</b>
<b>Interest rate Financial Derivatives</b>			
Swaps	Buy	-	-
	Sale	-	-
<b>Commodities Financial Derivatives</b>			
Swaps	Buy	82,319	23,697
	Sale	54,957	997
Options	Buy	1,733	
	Sale	1,589	
Futures	Buy	38,424	3,994
	Sale	6,121	995
<b>Currency Financial derivatives</b>			
Non-deliverable Forwards	Buy	22,934	-
	Sale	-	-
Forwards	Buy	29,813	-
	Sale	22,973	-
Currency Interest Rate Swaps	Buy	-	-
	Sale	-	-
		<b>89,583</b>	<b>25,699</b>

Note: Nominal value equivalent in thousands of Euros.

Galp Energia Group has commodities financial derivatives recognised as fair value hedge. These financial derivatives have been contracted for the reduction of risks associated with contracts signed with customers. Therefore, these contracts were also recognised at fair value in the amount of (€3,005) k reflected in income statement as MTM (Mark -to- Market), by counterpart accruals and deferred income relating to fair value hedges and € 2,760 k in positive equity in caption hedging reserve relating to cash flow hedges.

Galp Energia Group trades commodity futures. Given their high liquidity, as they are traded in the market, they are classified as financial assets at fair value through profit and loss and included in Cash and cash equivalents. The gain and loss on commodity futures (Brent and electricity) are classified in caption "Cost of sales". Changes in the fair value of open positions are recorded in caption "Financial income and costs". As futures are traded in the market, subject to a Clearing House, gains and losses are continuously recorded in the income statement.

## 28. Related Parties

During the period ended 30 June 2015, there were no significant changes in related parties comparing with the consolidated financial statements of 31 December 2014. For additional information refer to the consolidated financial statements of the Group on 31 December 2014 and the respective accompanying notes.

## 29. Remuneration of the board

The remuneration of the Galp Energia Corporate Board members for the periods ended 30 June 2015 and 30 June 2014 is detailed as follows:

(€ k)												
	June 2015						June 2014					
	Salary	Pension Plans	Allowances for rent and travels	Bonuses	Other charges and adjustments	Total	Salary	Pension Plans	Allowances for rent and travels	Bonuses	Other charges and adjustments	Total
<b>Corporate boards of Galp Energia SGPS</b>												
Executive management	1,732	481	158	775	219	3,365	1,714	405	155	(9)	36	2,301
Non-executive management	320	-	-	-	-	320	350	-	-	-	-	350
Supervisory board	40	-	-	-	-	40	43	-	-	-	-	43
General Assembly	4	-	-	-	-	4	2	-	-	-	-	2
	<b>2,096</b>	<b>481</b>	<b>158</b>	<b>775</b>	<b>219</b>	<b>3,729</b>	<b>2,109</b>	<b>405</b>	<b>155</b>	<b>(9)</b>	<b>36</b>	<b>2,696</b>
<b>Corporate boards of associate companies</b>												
Executive management	716	-	-	5	-	721	1,008	-	3	5	-	1,016
	<b>716</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>721</b>	<b>1,008</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>1,016</b>
	<b>2,812</b>	<b>481</b>	<b>158</b>	<b>780</b>	<b>219</b>	<b>4,450</b>	<b>3,117</b>	<b>405</b>	<b>158</b>	<b>(4)</b>	<b>36</b>	<b>3,712</b>

The amounts of €4,450 k and €3,712 k, recorded in the periods ended 30 June 2015 and 2014 respectively, include €3,811 k and €3,216 k recorded as employee costs (Note 6) and €639 k and €496 k recorded as external supplies and services.

In accordance with the current policy, remuneration of the Galp Energia Corporate Board members includes all the remuneration due for the positions held in the Galp Energia Group and all accrued amounts.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. According to Galp Energia's interpretation only the members of the Board of Directors meet those features.

During the period ended 30 June 2015 no fees were charged by the statutory auditor and the fees of the external auditor are disclosed in the Group governance report.

### **30. Dividends**

According to the deliberation and decision of the General Meeting of Shareholders held on 16 April 2015, it was attributed to the shareholders of Galp Energia, SGPS, SA dividends amounting to € 286,589 k on the distribution of net profit for the year 2014 and retained earnings. Interim dividends have been distributed and paid in the amount of € 143,295 k on 18 September 2014 and the remaining € 143,294 were paid on 12 May 2015.

In the six-month period ended 30 June 2015 dividends amounting to € 1,617 k were paid by subsidiaries of the Galp Energia Group to minority interests (Note 21 b)).

As a consequence of the above, during the year ended 30 June 2015, the Group paid dividends totaling € 144,911 k.

### **31. Oil and Gas reserves**

The information regarding Galp Energia's oil and gas reserves is subject to independent assessment by a suitably qualified company with the methodology established in accordance with the Petroleum Resources Management System (PMRS), approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

The information on reserves is included in the document entitled "Supplementary Information on Oil and Gas (unaudited)" attached to the notes of the consolidated financial statements on 31 December 2014.

### **32. Financial Risk Manager**

During the period ended 30 June 2015, there were no new situations regarding the management of financial risks, given the already disclosed in the consolidated financial statements of the Group on 31 December 2014. For additional information refer to the consolidated financial statements of the Group, on 31 December 2014 and the corresponding accompanying notes.

### **33. Contingent assets and liabilities**

During the period ended 30 June 2015, there were no significant changes in contingent assets and liabilities. For additional information refer to the consolidated financial statements of the Company, on 31 December 2014. For additional information refer to the consolidated financial statements of the Group, on 31 December 2014 and the corresponding accompanying notes.

### **34. Information regarding environmental matters**

There were no significant changes during the first semester of 2015.

For other information on environmental matters, refer to the accompanying notes to the Company's consolidated financial statements on 31 December 2014.

### **35. Subsequent events**

There are no relevant subsequent events for reporting purposes.

### 36. Approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on 24 July 2015.

#### THE BOARD OF DIRECTORS:

##### Chairman:

Américo Amorim

##### Vice-Chairmen:

Paula Ramos Amorim

Carlos Nuno Gomes da Silva

##### Members:

Filipe Crisóstomo Silva

Thore E. Kristiansen

Sérgio Gabrielli de Azevedo

Abdul Magid Osman

Raquel Rute da Costa David Vunge

Carlos Manuel Costa Pina

Francisco Vahia de Castro Teixeira Rêgo

Miguel Athayde Marques

Jorge Manuel Seabra de Freitas

José Carlos da Silva Costa

Pedro Carmona de Oliveira Ricardo

João Tiago Cunha Belém da Câmara Pestana

Rui Paulo da Costa Cunha e Silva Gonçalves

Luís Manuel Pego Todo Bom

Diogo Mendonça Rodrigues Tavares

Joaquim José Borges Gouveia

#### THE ACCOUNTANT:

Carlos Alberto Nunes Barata

**37. Explanation added for translation**

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with IFRS as adopted by the EU (Note 2.1) some of which may not conform to generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

## 5. REPORTS AND OPINIONS

### Limited Review Report Prepared by Auditor Registered with the Securities Market Commission (CMVM) on the Consolidated Half Year Information

(Free translation from the original in Portuguese)

#### Introduction

1 In accordance with the Portuguese Securities Market Code (CVM), we present our limited review report on the consolidated financial information for the six-month period ended June 30, 2015 of Galp Energia SGPS, SA included in the Directors' Report, consolidated statement of financial position (which shows total assets of Euro 13,521,854 thousand and total shareholders' equity of Euro 6,544,927 thousand including non-controlling interests of Euro 1,482,918 thousand and a net profit of Euro 90,049 thousand), consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and the corresponding notes to the accounts.

2 The amounts in the consolidated financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

#### Responsibilities

3 It is the responsibility of the Board of Directors: (a) to prepare consolidated financial information which present fairly, in all material respects, the financial position of the companies included in the consolidation, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (b) to prepare historical financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful as required by the CVM; (c) to adopt appropriate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any significant matters which have influenced the activity, financial position or results.

4 Our responsibility is to verify the financial information included in the documents referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the CVM, for the purpose of issuing an independent and professional report based on our work.

#### Scope

5 Our work was performed with the objective of obtaining moderate assurance about whether the financial information referred to above is free from material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors, planned according to that objective, and consisted primarily, in enquiries and analytical procedures, to review: (i) the reliability of the assertions included in the financial information; (ii) the appropriateness and consistency of the accounting principles used, as applicable; (iii) the applicability, or not, of the going concern basis of accounting; (iv) the presentation of the financial information; (v) as to whether the consolidated financial information is complete, true, up-to-date, clear, objective and lawful.

6 Our work also covered the verification that the consolidated financial information included in the Directors' Report is consistent with the remaining documents referred to above.

7 We believe that the work performed provides a reasonable basis for the issue of this limited review report on the half year information.

### **Conclusions**

8 Based on the work, which was performed with the objective of obtaining a moderate level of assurance, nothing has come to our attention that leads us to conclude that the consolidated financial information for the six-month period ended June 30, 2015 contain material misstatements that affect its conformity with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union and that it is not complete, true, up-to-date, clear, objective and lawful.

### **Report on other requirements**

9 Based on the work, nothing has come to our attention that leads us to believe that the consolidated financial information included in the Directors' Report is not consistent with the consolidated financial information for the period.

July 28, 2015

PricewaterhouseCoopers & Associados

- Sociedade de Revisores Oficiais de Contas, Lda

Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077

represented by:

António Joaquim Brochado Correia, R.O.C.

## Definitions

### Crack spread

Difference between the price of an oil product and the price of Dated Brent.

### EBIT

Operating profit.

### EBITDA

Operating profit plus depreciation, amortisation and provisions.

### EBT

Earnings before taxes.

### GALP ENERGIA, COMPANY OR GROUP

Galp Energia, SGPS, S.A. and associates.

### Benchmark refining margin

The benchmark refining margin is calculated with the following weighting: 45% hydrocracking margin + 42.5% Rotterdam cracking margin + 7% Rotterdam base oils + 5.5% Aromatics.

### ROTTERDAM HYDROCRACKING MARGIN

The Rotterdam hydrocracking margin has the following profile: -100% Brent dated, +2.2% LGP FOB Seagoing (50% Butane + 50% Propane), +19.1% PM UL NWE FOB Bg., +8.7% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF Cg. +8.9% LSFO 1% FOB Cg; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent dated; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

### ROTTERDAM CRACKING MARGIN

The Rotterdam cracking margin has the following profile: -100% Brent dated, +2.3% LGP FOB Seagoing (50% Butane + 50% Propane), +25.4% PM UL NWE FOB Bg., +7.5% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF Cg. and +15.3% LSFO 1% FOB Cg.; C&L: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent dated; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

### ROTTERDAM BASE OILS MARGIN

Base oils refining margin: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13.0% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, +34.0% ULSD 10 ppm NWE CIF, +4.5% VGO 1.6% NWE FOB Cg., +14%; Base Oils FOB, +26% HSFO 3.5% NWE Bg.; Consumptions: -6.8% LSFO 1% CIF NWE Cg.; Losses: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

### ROTTERDAM AROMATICS MARGIN

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.6% PM UL NWE FOB Bg., +6.5% Benzene Rotterdam FOB Bg., +18.5% Toluene Rotterdam FOB Bg., +16.6% Paraxylene Rotterdam FOB Bg., +4.9% Ortoxylylene Rotterdam FOB Bg. Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.



#### REPLACEMENT COST (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by the Portuguese IFRS and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

#### REPLACEMENT COST ADJUSTED (RCA)

In addition to using the replacement cost method, adjusted profit excludes non-recurring events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its operational performance.

## Abbreviations

**APETRO:** *Associação portuguesa de Empresas petrolíferas* (Portuguese association of oil companies)

**bbl:** oil barrel

**BBLT:** Benguela, Belize, Lobito and Tomboco

**Bg:** Barges

**bn:** billion

**boe:** barrels of oil equivalent

**BSR:** Buoyancy Supported Risers

**Cg:** Cargoes

**CIF:** Costs, Insurance and Freights

**CORES:** *Corporacion de reservas estratégicas de produtos petrolíferos*

**CWT:** Carbon weighted tonne

**D&A:** Depreciation & amortisation

**DD&A:** Depreciation, Depletion and Amortization

**E&P:** Exploration & Production

**EPCIC:** Engineering, Procurement, Construction, Installation and Commissioning

**EUR/€:** Euro

**EWT:** Extended well test

**FCC:** Fluid Catalytic Cracking

**FEED:** Front-End Engineering Design

**FOB:** Free on Board

**FPSO:** Floating, production, storage and offloading unit

**G&P:** Gas & Power

**GBp:** Great British pence

**GWh:** Gigawatt per hour

**IAS:** International Accounting Standards

**IFRS:** International Financial Reporting Standards

**IRP:** Oil income tax.

**LSFO:** Low sulphur fuel oil

**k:** thousand

**kbbbl:** thousand barrels

**kboepd:** thousand barrels of oil equivalent per day

**kbopd:** thousand barrels of oil per day

**LNG:** liquefied natural gas

**m:** million

**m<sup>3</sup>:** cubic metres

**mbbl:** million barrels

**mmbtu:** million British thermal units

**mm<sup>3</sup>:** million cubic metres

**mton:** million tonnes

**NBP:** National balancing point

**n.m.:** not meaningful

**OTC:** Over-the-counter

**OWC:** Oil-water contact

**PM UL:** Premium unleaded

**p.p.:** percentage points

**R&M:** Refining & Marketing

**RC:** Replacement Cost

**RCA:** Replacement Cost Adjusted

**RDA:** Reservoir Data Acquisition

**Tcf:** trillion cubic feet

**TL:** Tômbua-Lândana

**T:** tonnes

**USA or US:** United States of America

**USD/\$:** Dollar of the United States of America

**ULSD CIF Cg:** Ultra Low sulphur diesel CIF Cargoes

**WAC:** Weighted-average cost

**YoY:** *year-on-year* (annual change rate)

## Disclaimer

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This report has been prepared by Galp Energia, SGPS, S.A. ("Galp Energia" or the "Company") and may be amended and supplemented.

This report does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or otherwise acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or an inducement to enter into investment activity in any jurisdiction. Neither this report nor any part thereof, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever in any jurisdiction.

This report may include forward-looking statements. Forward-looking statements are statements other than in respect of historical facts. The words "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions usually identify forward-looking statements. Forward-looking statements may include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; energy demand and supply; developments of Galp Energia's markets; the impact of regulatory initiatives; and the strength of Galp Energia's competitors.

The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although Galp Energia believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Important factors that may lead to significant differences between the actual results and the statements of expectations about future events or results include the Company's business strategy, industry developments, financial market conditions, uncertainty of the results of future projects and operations, plans, objectives, expectations and intentions, among others. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Galp Energia or the industry to differ materially from those results expressed or implied in this report by such forward-looking statements.

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**Galp Energia, SGPS, S. A.**

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